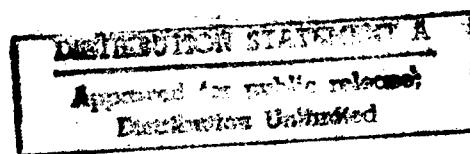


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JPRS-SEA-85-065

23 April 1985

Southeast Asia Report



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23 April 1985

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INDONESIA

FACTIONAL STRUGGLE WITHIN PPP CONTINUES

PPP 'Recall' Letter

Jakarta MERDEKA in Indonesian 6 Mar 85 p 1

[Text] Jakarta, 5 March--The matter of recalling four members of Parliament of the Development Unity Faction by the Central Executive Council of the Development Unity Party does not need to be sent to the president. Amirmachmud, the chairman of the MPR/DPR [People's Consultative Assembly/Parliament], made this statement on 5 March after consulting with the president at the Bina Graha offices. He declared: "It is sufficient for this matter to be handled by the leadership of the MPR/DPR."

He said that the MPR/DPR leadership has formed a "small team" to handle matters related to two letters of recall issued by the Central Executive Council of the PPP [Development Unity Party], involving four members of the Development Unity Faction in Parliament. This team is chaired by Kharis Suhud (deputy chairman of Parliament for political affairs), and it is authorized to function for an unlimited period of time.

The team has the task of considering the proposals from the Central Executive Council of the PPP, and its recommendations will be considered by the parliamentary leadership as to whether they should be sent on to the president.

The four members of the Development Unity Faction who have been mentioned in the recall proposals are, respectively: Syarifuddin Harahap, H. Badrul Tamam Achda, Ruchani Abdul Hakim, and Murtadho Makmur. The first two members of Parliament have been cited by the PPP for violating party discipline, while the other two are to be disciplined in connection with private matters.

According to Amirmachmud, the question of a recall does not exclusively involve technical and legal procedures but rather involves political questions which must be studied in detail.

Answering questions from reporters, Amirmachmud said that the president only laughed when he was informed of the formation of the small team by the leadership of the MPR/DPR.

In this connection the president does not claim to have any prerogatives or authority to reject the recall proposal. Amirmachmud said: "There was no discussion of this matter. I believe that he has left the matter to me."

Sudardji Calls for Resignation of PPP Leaders

Jakarta MERDEKA in Indonesian 7 Mar 85 pp 1, 12

[Text] Jakarta, 6 March—Sudardji, the chairman of the Development Unity Faction in Parliament, advised the leadership of the Central Executive Council of the PPP to resign or, if they were Japanese, to commit "hari kiri" because of improper "pressures" (Editor placed question mark after the word "pressures.").

Sudardji made this statement in answering questions from reporters at Parliament on 6 March in connection with the statement by Amirmachmud, chairman of the MPR/DPR, that the proposal of the Central Executive Council of the PPP to recall four members of Parliament from the Development Unity Faction of Parliament no longer needs to be referred to the president.

After consulting with the chief of state at the Bina Graha offices, Amirmachmud told reporters that the question of recalling four members of Parliament from the Development Unity Faction can be handled by the leadership of the MPR/DPR.

According to Sudardji, the statement by the chairman of Parliament is a signal that the chief of state has rejected the proposal by the Central Executive Council of the PPP to recall the four members of the MPR/DPR, respectively: Murtadho Makmur, Rohani Abdulhakim, Syarifuddin Marahap, and H. Badrul Tamam Achda.

Sudardji said that the proposal by the Central Executive Council of the PPP as such does not need to be sent to the president. He recalled that, because it has used improper pressure, the Central Executive Council of the PPP must be sufficiently noble-spirited not to engage in plotting.

Previously, Sudardji had said that the proposal by the Central Executive Council of the PPP had been rejected, in fact, when the council's letter of 7 January 1985, No 044/Pem/DPP/1/1985, which was sent directly to the president, was later rejected by the president through Deputy Minister and Cabinet Secretary Murdiono in his letter No R.05/M. Seskab/1/85, of 21 January 1985. Since then the Central Executive Council of the PPP should have realized this. Its failure to do so was related to a procedural error involving administrative practice. The Central Executive Council of the PPP violated procedures as contained in the law on the membership and position of the MPR/DPR and administrative practices in effect.

When he was asked by reporters what the Central Executive Council of the PPP should have done, Sudardji, who is also one of the chairmen of the Central Executive Council of the PPP, smiled and said: "It is more honorable if you resign from office or commit hari kari because of the exercise of improper pressure.

However, Sudardji stated that anything can still happen within the Central Executive Council of the PPP. For example, one way out of the problem would be to hold an extraordinary congress of the party. However, he immediately recalled that the late H. M. S. Mintareja, former chairman of the Central Executive Council of the PPP, also resigned from his position and turned it over to the Central Executive Council, whose later general chairman was H. J. Naro.

The reporters asked: "If that is done, what would it be called?"

Sudardji answered: "The name for that is that Mintaredja was big-hearted."

Sudardji's Membership To Be Canceled

Jakarta PELITA in Indonesian 8 Mar 85 pp 1, 8

[Text] Jakarta, PELITA--Dr Ridwan Saidi, chairman of the Organization and General Elections Department of the PPP, will take the initiative through the party structure, to cancel Doctor Sudardji's membership in the PPP.

Doctor Sudardji is now chairman of the Development Unity Faction in Parliament and one of the chairmen of the Central Executive Council of the PPP.

Dr Ridwan Saidi, in answer to reporters' questions on 7 March at Parliament regarding the statement by Doctor Sudardji, said: "In a short while Sudardji will be dismissed from membership in the party and from all party positions."

The statement by the chairman of the Development Unity Faction basically urged that an extraordinary congress of the PPP be held or that the general chairman of the Central Executive Council of the PPP resign his office to a plenary meeting of the party.

He urged the general chairman to commit "hari kari" or resign. He added that the Central Executive Council of the PPP, under the leadership of Dr H. J. Naro, made a major error by continuing with its desire to recall four of its members from membership in Parliament. He added that in this connection there has already been a signal that the Central Executive Council of the PPP should withdraw.

According to Ridwan Saidi, Sudardji filled in a membership application for the PPP on 5 January 1985 at Jalan Diponegoro 60 (the office of the Central Executive Council of the PPP). Although the membership application was filled in, this does not mean that he was automatically accepted as a member of the PPP. Ridwan said: "Therefore, Sudardji's membership in the PPP can still be rejected. He invited the "small team" formed by the parliamentary leadership to come forward and defend Sudardji. He said that an additional reason for taking action against Sudardji is that, as a chairman of the Central Executive Council of the PPP, Sudardji has been too lazy to attend meetings of the council. In this connection Sudardji's ideas have always been expressed through the press. Ridwan Saidi said: "This kind of behavior by Sudardji cannot be allowed by the PPP." He added that his office is preparing to reject Sudardji as a member of

the PPP. He continued: "Let him become a member of SOKSI" [Self-Supporting Organization of Indonesian Socialist Functions].

He said that the party was already aware of the action which will be taken against Sudardji, and this will be followed up with the "small team" in Parliament which is emerging as his defender. Ridwan Saidi said: "Well, let the 'small team' defend him. From its very name the 'small team' is small." He suggested that in the formation of a 'small team' to defend Sudardji the members should be taken from PERADIN [Indonesian Lawyers' Union].

No Unrest

Answering a question as to whether action will be taken against other persons after it is taken against Sudardji, Ridwan said he felt there would be no action taken against others. He said: "There are only three people who will be expelled from the party."

He stated that the party is only recalling H. Murtadho Makmur and Dr H. Ruhani Abdul Hakim, while Dr Syarifuddin Harahap and Dr H. B. T. Achda are being expelled from membership in the party. Ridwan Saidi, who is also a member of Parliament, said: "So Sudardji's future is the same as that of Syarifuddin and Achda."

When Ridwan said that the four members of the PPP continue to be defended by the 'small team' appointed by the leadership of Parliament, he said that, of course, the party invites the team to do this. Ridwan Saidi added: "Let them defend him. If they do that, it will really help the PPP in the next general elections." He went on to say that: "In fact, this is the private business of the party, but they can do this."

In answer to a question about an extraordinary congress of the PPP, he said that of the 17 provincial councils of the party which support the leadership of Dr H. J. Naro in the Central Executive Council of the PPP not even one of them is in favor of holding an extraordinary congress.

According to Ridwan Saidi, the PPP provincial councils of West Java, Jakarta, North Sumatra, and Lampung, which have been mentioned as demanding that an extraordinary council of the PPP be held, have not taken such action. In fact this is the work of certain party elements who call themselves "Team P 6." All of the provincial councils of the party are united on this point. There are no differences in the 17 provincial councils, which have expressed support for the leadership of Dr H. J. Naro as general chairman of the Central Executive Council of the PPP.

Not a 'Ping Pong' Party

He declared that all steps taken by the Central Executive Council of the PPP to strengthen discipline within the party are proper and suitable. Indeed, at one point there were resolutions from the provincial or branch organizations of the party to strengthen party discipline.

Therefore, Ridwan considers that in view of Sudardji's statement, it is really Sudardji himself who has committed "hari kari."

Answering a question regarding the declaration by the chairman of Parliament at Merdeka Palace on 4 March, Ridwan said that the question being handled is really a political matter. It is the same thing with the attitude of the 'small team,' which also smells of politics. Ridwan said: "So if it is said that the action taken by the Central Executive Council of the PPP involves political questions, this is really true. It is a political party and, of course, it is concerned with matters which are political in character. The PPP is a political party, not a ping pong party."

H. Amirmachmud, the chairman of Parliament, stated on 4 March at Merdeka Palace that the letter from the Central Executive Council of the PPP concerning the recall from office of four members of Parliament, does not involve merely technical procedures but also concerns political questions which must be studied in detail.

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INDONESIA

MINISTER BRIEFS GOVERNORS ON ECONOMIC PROBLEMS

Jakarta PELITA in Indonesian 9 Mar 85 pp 1, 12

[Text] Jakarta, PELITA--Prof Ali Wardhana, coordinating minister for economics, finance, and industry, has declared that unspent development budget funds [SIAP] have become ever larger over the years. This matter must be taken seriously, because if total SIAP funds increase, this means that efforts made to provide employment opportunities to the maximum extent possible will be hampered.

In his speech before a conference of governors from areas throughout Indonesia, the coordinating minister said that one factor causing the accumulation of SIAP funds is the question of the availability of land. Therefore, the coordinating minister asked the governors to pay attention to this matter and help to resolve the land question, because only with the help of the governors can the total amount of SIAP funds be reduced.

On this occasion the coordinating minister was accompanied by 14 members of the Fourth Development Cabinet. In his speech he went on to say that fiscal year 1985-86 would be a difficult time, in view of the limited budget available. However, expenditures--particularly for government employees' salaries--are going up. He said: "We must be ready to deal with conditions during this fiscal year because the development of the world economy will not be as good as it was last year."

He said that, although the state budget has not yet begun to be implemented for the 1985-86 fiscal year [fiscal year begins on 1 April], we have already felt the first blows in the form of a decline in the price of oil. According to Ali Wardhana, this situation results from the fact that oil cannot be relied on to provide a guarantee for state budgetary receipts. Thus we need to strengthen state income from the non-petroleum and natural gas sector in an effort to make up the shortage, he added. Although this is the situation, circumstances in Indonesia are very encouraging, since we have the new tax law in force.

"Not Just a Matter of Words

Regarding state income from the non-petroleum and natural gas sector, the minister asked that this question receive real attention and not just be regarded as a matter for "lip service."

He declared: "We still face high production costs because we continue to need to achieve further efficiencies in the production process. Furthermore, our export commodities still have to bear the burden of additional costs between the processing point and the ports and from the ports to the countries taking our exports. For that reason we have difficulty in competing on the international market. Therefore, we need continuing improvements and rearrangements in our export system."

Economic Census

In another section of his speech the minister declared that the central government has abolished numerous directives on licenses. The BKPM [Capital Investment Coordinating Board] has also simplified procedures to stimulate capital investment. It is in this connection that he asked the governors to take part in encouraging economic growth, so that the target of \$7 billion additional expansion could be achieved in fiscal year 1985-86.

According to the coordinating minister, 1985-86 has also been declared by the minister of tourism, posts, and telecommunications as the year of tourism. It is hoped that a great deal of foreign exchange can be earned in this way this year.

The coordinating minister also stated that during 1985-86 an economic census will be undertaken, which will be very important in measuring the growth and decline of our economy. Minister Ali Wardhana said: "This census will be completed efficiently if it receives help from the governors."

After he completed his speech, there was a dialogue between those attending the conference and the coordinating minister, with the ministers accompanying him taking part in providing clarifications, from time to time.

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CSO: 4213/186

INDONESIA

MINISTER CALLS FOR SIMPLIFICATION OF CUSTOMS PROCEDURES

Jakarta KOMPAS in Indonesian 5 Mar 85 p 1

[Text] Jakarta, KOMPAS--Present customs procedures and working practices in Indonesia are so complex that they must immediately be simplified to make it easier for those carrying on economic activity in society.

This was stated by Minister of Finance Dr Radius Prawiro on 4 March when he was speaking to a conference at the Directorate General of Customs and Excise. At the meeting, attended by the chiefs of provincial customs offices and chiefs of inspectorate offices, as well as employees of the Directorate General of Customs and Excise serving abroad, Minister Radius also declared that there are several policy actions which need to be implemented by the directorate general, including putting off the application of the decision by the director general of customs and excise regarding SPAP [Letters of Designation of Customs Agents].

Meanwhile, Doctor Suharnomo, the secretary of the Directorate General of Customs and Excise, when he reported to Minister Radius, stated that high unofficial costs in Indonesian harbors are caused, among other things, by the excess number of people handling customs and navigation functions in the ports. Duties and functions are divided for the exclusive purpose of ensuring that customs documents must pass through the hands of all of these people.

According to Minister Radius, questions involving customs procedures and working practices, from the time Indonesia became independent until the present, have developed in the direction of growing complexity. He said: "It seems that the purpose of the growing complexity and trickiness of the procedure is not to carry on the job but specifically to create procedures and working practices. We must put an end to this." He added that, "customs procedures and working practices must be simplified, not only to make it easier for customs and excise officials to do their job, but also to make things easier for those engaged in economic activity in the community at large."

Must Be Made Public

Minister Radius also stated that community complaints about services by customs and excise employees involve the extended length of time required to make

out documents, as well as requests for fees for the performance of all services. He added: "Perhaps practices like this are only engaged in by a few people. However, the people are complaining. Indeed, the people have provided documentation supporting their complaints."

He asked customs and excise employees to find ways of doing things so that the flow of documents and their completion can be checked and so that they can be completed on time. If the period of time fixed for the completion of a document has gone past but the document is not yet ready, this must be made public in the customs and excise office, together with the reasons why the document could not be completed on time. Then the official who needs to be contacted on this matter must also be made public. Minister Radius, who is also director general of customs and excise, said: "In this way a form of community control over the Directorate General of Customs and Excise will be developed."

Speaking about the handling of money, he said that every provincial customs and excise office needs to adopt a system which will make it possible for all payments of customs and excise duties to be deposited directly in a bank by the person paying them. He considered this as very important to prevent obscure practices from developing in handling money, such as often happens at present. In addition, this procedure will ease the burdens on officials in the field. Four government banks, including the Bank Negara Indonesia 1946, the Bank Bumi Daya, the Bank Dagang Negara, and the Bank Ekspor Impor Indonesia have stated that they are ready to facilitate such payments of customs and excise duties.

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INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

COL DEWA GDE OKA--It is expected that on 2 March Minister of Home Affairs Soepardjo Rustam will install Col Dewa Gde Oka in office as deputy governor of Bali in Denpasar. This middle grade Army officer, who was previously regent of Bandung, is a 1960 graduate of the technical section of the Military Academy. He was a classmate at the academy of Maj Gen Ida Bagus Sudjana, another Balinese who has had a distinguished military career. Major General Sudjana is presently assistant to the Army chief of staff for reserve affairs. Another Balinese who has reached senior rank in the Army is Brig Gen I Gde Awet Sara a 1959 graduate of the Army Technical Academy. Brig Gen Awet Sara is now commander of Military Region IX/Mulawarman [Balikpapan].

Col Dewa Gde Oka, the new deputy governor of Bali, began his military career in Bali as commander of a military sub-district, following which he became commander of the Military District in Denpasar. After graduating from the National Military Academy he spent some time in Palembang [Sumatra]. He was a member of the Provincial Council in Tanjungkarang and was later assigned to Palangkara, in Kalimantan, where he was deputy commander of the Army engineer detachment in the military region headquarters there.

Col Dewa Gde Oka is now 49 years old. He can be described as an officer of the generation that has grown up since Indonesia obtained its independence. At the time of the proclamation of independence [1945] he was 9 years old. With his appointment as deputy governor of Bali, his service in the armed forces provides him with guidance for the future for going through the process of transferring power from the older to the younger generation, as is also happening in the armed forces at present. [Excerpt] [Jakarta KOMPAS in Indonesian 2 Mar 85 p 12] 5170

BRIG GEN CORNELIS RANTUNG--On 4 March Minister of Home Affairs Soepardjo Rustam will install Brig Gen Cornelis John Rantung in office as governor of North Sulawesi, replacing Governor G. H. Mantik. Brig Gen C. J. Rantung is one of the younger officers who began his military career since the war of independence. Brigadier General Rantung, who is 49 years old, is a 1959 graduate of the Army

Technical Academy. He was a classmate of Brig Gen Awet Sara and Maj Gen Tri Soetrisno. His past military assignments included the post of assistant for operations in Military Region XIV/Hasanudin. He was later commander of the Nuclear, Biological, and Chemical Warfare Center and was commander of the Army Education and Training Development Center in Bandung. His last post before his appointment as governor of North Sulawesi was that of director of strategic operations development and of the Indonesian Armed Forces Staff and Command School. KOMPAS was unable to obtain any biographic data on Brig Gen C. J. Rantung's experience outside the armed forces where he had contact with the local community, such as a battalion command and service on the staff of a military region. As is logical, when he was a middle-ranking officer in Jakarta he was a member of the "Mutual Assistance" Parliament [DPR-GR]. Although he has had experience in Parliament, this is not a guarantee of his success in his new position as governor of North Sulawesi. [Excerpts] [Jakarta KOMPAS 2 Mar 85 p 12] 5170

CSO: 4213/187

MALAYSIA

COMMENTARY ON ISSUE OF ANTARCTICA

BK291408 Kuala Lumpur International Service in English 0800 GMT 29 Mar 85

[Unattributed commentary]

[Text] Malaysia's efforts to seek international support for a solution to the question of Antarctica are continuing. This matter was mentioned by the head of state of Malaysia, his majesty the Yang Di-Pertuan Agong, in his address to Parliament early this week. Malaysia took the initiative to have the issue of Antarctica included in the agenda of the United Nations General Assembly in September 1983. In doing so, it brought to the world's attention the disadvantages of the existing system by which a small number of nations treat Antarctica as their preserve and monopoly. Although in theory any member of the United Nations may become a signatory to the Antarctic Treaty, that does not solve the problem of how to ensure vital resources of the vast Antarctic continent are not greedily exploited by those nations that enjoy the advantage of technological and scientific superiority. Also, there are two kinds of classes of membership under the present treaty or regime. They are 16 consultative parties consisting of nations that either have established territorial claims to different or identical areas of Antarctica or have participated in research in the Antarctic region. These 16 alone make decisions of importance about Antarctica.

It was owing to Malaysia's initiatives in [words indistinct] obscure proceedings about Antarctica in the open that led to the consultative parties to allow the other parties of members--the nonconsultative parties--to attend future meetings concerning the continent and its marine and mineral resources. It was also because of Malaysia's initiatives that the UN Secretariat produced a comprehensive factual and objective study of wide aspects of Antarctica. The Antarctic Treaty excludes the icy continent from the arms race by prohibiting any measures of a military nature such as the establishment of military bases and fortifications or the testing of any types of weapons, including nuclear weapons. Unfortunately, it is doubtful if such reliance can dictate on that restriction.

When outer space was reached by science and technology, nations agreed to use it for peaceful purposes only. Today, they are fearing of plans for placing nuclear defense systems in space. So too with territorial claims. Some of the claims overlap in that two or more countries have laid claims to the same

areas. There is no guarantee that armed conflicts may not occur to establish national claims. Even the Falksland conflict has been described by some as the first Antarctic war.

The world is hungry for fresh water, protein food, and minerals. All three are available in large quantities in Antarctica. Malaysia feels that under the circumstances, it is just and equitable that [words indistinct] resources of the ocean beds outside the exclusive economic zones, the wealth of Antarctica should be regarded as the common heritage of mankind.

CSO: 4200/717

NEW ZEALAND

NATIONAL PARTY LEADER DISCUSSES ANZUS

BK270957 Melbourne Overseas Service in English 0830 GMT 27 Mar 85

[Text] New Zealand's opposition leader, Mr Jim McLay, says the breakdown in his country's ANZUS military alliance with the United States and Australia will produce significant changes in the South Pacific. Speaking in Canberra, Mr McLay said Fiji, Western Samoa, Tonga, and the Cook Islands had expressed concern about the future of ANZUS following the decision of New Zealand's Labor Party Government, which banned port calls by nuclear-armed or nuclear-powered ships.

The opposition leader claimed that the decision to introduce the ban, which had been condemned by the United States, was taken by the New Zealand Government without consulting its Pacific neighbors. Mr McLay said even with the return to office of a National Party Government in Wellington, which would lift the ban, New Zealand might never be able to reestablish its previous relationship with the United States. He said Australia and New Zealand had traditionally had a stabilizing influence in the South Pacific, keeping super-power involvement to a minimum.

Now he claimed the United States would want to increase its diplomatic presence and intelligence gathering in the region, and this would be met by the Soviet Union. Mr McLay said the situation was being further complicated by the possible emergence of an independent Kanak-led government in New Caledonia, influenced by what he called elements unfriendly to Australia and New Zealand.

CSO: 4200/716

23 April 1985

NEW ZEALAND

WELLINGTON CONFIRMS APPOINTMENT OF NEW GOVERNOR GENERAL

HK290826 Wellington Overseas Service in English 0600 GMT 29 Mar 85

[Text] The government has confirmed the appointment of Archbishop (Paul Reeves) as the next governor-general. The appointment was made by the Queen on the government's advice. David Lange said the archbishop is resigning as head of the Anglican Church to ensure the separation of church and state.

[Begin Lange recording] Archbishop (Reeves) has had a [words indistinct] career--a New Zealander, son of a tram driver, a person who has conducted himself with a great deal of [word indistinct] and concern for others. He's a person of fundamental dignity and decency. He's a person who has earned the respect of New Zealanders and his church associates. He is a person who believes that the office of governor-general is [words indistinct] as a Christian minister. [end recording]

National Party leader Jim McLay has welcomed the appointment, but with reservations. Mr McLay says he's concerned that the archbishop's responsibilities as an ordained priest [words indistinct] strong views on controversial issues which will soften with his new job.

[Begin McLay recording] Now in either of those [word indistinct], conflicts could arise. [Words indistinct] because I know [words indistinct] are being discussed right now by lawyers back home--publicly discussed by lawyers. [Words indistinct] to say that they have [words indistinct] that I expressed to the government a couple of months ago when I was in accordance with the constitutional convention's [words indistinct] of the government's intention to recommend the appointment. [end recording]

But Mr Lange says there is no implication of the appointment that the government has [words indistinct] for the Church of England.

[Begin Lange recording] [Words indistinct] the next governor-general will cease to be archbishop of the church in New Zealand [words indistinct] this year. [Words indistinct] will be a nice possibility of there being some [word indistinct] recognition of the Church of England [words indistinct]. It's simply not on.

CSO: 4200/716

NEW ZEALAND

LANGE 'VERY ANGRY' OVER PROPOSED RUGBY TOUR TO SOUTH AFRICA

HK300637 Wellington Overseas Service in English 0600 GMT 30 Mar 85

[Excerpts] The New Zealand Rugby Union has deferred its decision on an All Black [New Zealand Rugby team] tour of South Africa until its next meeting on 17 April. Announcing this after nearly 4 hours of talks today, the chairman, (Jeff Blazey), said the union wants clarification of some points made by the prime minister in his letter urging that the tour should not take place.

Our parliamentary reporter says the rugby union's deferral of the tour decision was not totally unexpected. He said that there were rumors suggesting the union might leave the decision until after the prime minister is back from Africa and the New Zealand cricketers out of Guyana, one of the Caribbean nations most strongly opposed to sporting contacts with South Africa.

[Begin unidentified reporter recording] Mr Lange will be very, very angry about this decision. He is understood to have stressed to the union when they met all the reasons why he needed a yes or no decision before he met African leaders, and he told them directly the tour must not go ahead. But seemingly his pleas have fallen on deaf ears, although he will be cheered to a degree that there is not a "go" decision at this stage.

But Mr Lange's trip to Africa will now change focus substantially. He will, in his own words, be diverted into defending his action and explaining that under our system he could do no more. What he perceives as the positive aspect of establishing and expanding our relations with Africa and correcting the myriad misconceptions about New Zealand will be pushed into the background.

Political sources in Wellington suggest this deicision is just a prelude to a decision to go. It's likely to be so interpreted in Africa. [end recording]

Acting Prime Minister Geoffrey Palmer has not commented on the rugby union council's deferrment of the decision on whether the All Black tour will go ahead. Opposition leader Jim McLay has strongly attacked the prime minister's letter to rugby union chairman (Jeff Blazey) which was released this morning after Mr Lange met the union council. The letter twice said the tour must not proceed, and Mr McLay says that goes much further than the parliamentary resolution against the tour passed on Thursday.

CSO: 4200/716

NEW ZEALAND

BRIEFS

LANGE DISCUSSES ECONOMY IN PERTH--New Zealand's prime minister, Mr Lange, has held talks in Perth with the West Australian state premier, Mr Burke. The New Zealand leader is on his way to Africa for a 5-nation tour. Mr Burke said after the meeting that they discussed New Zealand's economy, not the troubled ANZUS defense alliance between New Zealand, Australia, and the United States. Mr Lange was welcomed at his Perth hotel by about 50 demonstrators declaring support for peace. [Text] [Melbourne Overseas Service in English 0430 GMT 31 Mar 85]

CSO: 4200/716

PHILIPPINES

CEBU ARTICLE CRITICIZES U.S. BASES ROLE

Cebu City VISAYAN HERALD in English 15 Feb 85 pp 2, 4

[Article by Ed Maranan, PNF]

[Text] The doomsday scenario, by no means irrelevant today, has been crowded out by other issues related to the bases. In her paper entitled "Security Aspects of Philippine-American Relations," Filipino political scientist Carolina G. Hernandez lists down four major historical problems associated with the bases. These are sovereignty, criminal jurisdiction, rent or assistance, and the implications for the country's ASEAN commitments, especially to the proposed ZOPFAN (Zone of Peace, Freedom and Neutrality).

When the bases agreement was renegotiated in 1979, Filipino officials prided themselves in having wangled an arrangement which "settled" the issue of sovereignty "by calling the bases used by Americans, by providing for Philippine base commanders, and by enabling the Philippine flag to fly alone over the bases." Hernandez correctly points out that these were but "rhetorical" provisions. She cites an American analyst's caustic comment that the title "Philippine Base Commander" implies "a major transfer of operational authority (and) thereby risks adding an increment of hypocrisy to an al-

ready unhealthy situation, because the one base function in which Filipinos can never share satisfactorily, if at all, is the command and control of US forces and operations."

Will the United States ever give up the bases? In his statement to the Senate Foreign Relations Committee on April 10, 1984, Ambassador designate Stephen Bosworth said:

"Our country relationship with the Philippines and our facilities at Subic Bay and Clark Air Field are crucial to our efforts to provide an effective counterbalance in the area to the growing military power of the Soviet Union and its surrogates. They are also vital to our ability to provide logistical support for US forces in the Indian Ocean and the Persian Gulf."

The final resolution of the bases issue will depend on the kind of post-Marcos government that will be set up. As proposed by oppositionist Liberal Party President Jovito Salonga, the Philippines can opt not to renew the bases agreement when it lapses in 1991. The move is deemed necessary to finally validate any claims to Philippine sovereignty and independence.

Since the current thinking of the US defense establishment, however, is that their need for the bases will even increase due to what it perceives as the Soviet threat in the Asia-Pacific region, the US is expected to initiate moves designed to prevent a nationalist — and poss'bly neutralist — government from coming to power in the Philippines. (Philippine News and Features)

Recent events in the Philippines have again brought into focus one of the most controversial issues in the country's post-war history: the American military bases, particularly Clark Air Base in Angeles, Pampanga, and Subic Naval Base in Olongapo, Zambales.

1. The political opposition shaping up to challenge the 19-year Marcos rule has included the phase-out of the bases as one of the principles in its program of government. Only Assembly-woman Eva Estrada Kalaw of the Liberal Party has come out in favor of retaining the bases, while possible presidential candidate Salvador Laurel of the UNIDO prefers putting the question to a national plebiscite. Both positions sit well with the United States. For its part, the ruling party of Mr. Marcos has predictably taken the position that the bases are necessary for the country's security.

2. At the same time, the underground movement has claimed, and American and Filipino officials have admitted, a very significant increase in the area controlled or influenced by the New People's Army, military arm of the Communist Party of the Philippines. This insurgency has been described as the largest and most active in Southeast Asia, one with a good chance of setting up a popular united front government within the next five

to twelve years, even assuming that massive military assistance to a rightist Philippine government is thrown in by the United States.

3. It is precisely these developments — the anti-bases stance of the legal opposition and the intensification of the revolutionaries' armed struggle — which has precipitated the series of consultations between US State and Defense Department representatives and Philippine officials.

The so-called "distancing" by the Reagan administration from the crisis-ridden Marcos regime thus takes a backseat while Washington and Manila discuss plans of defusing the explosive situation.

Expanded military assistance is in the offing. Foreign Affairs Minister Arturo Tolentino's comment about the possibility of American military advisers coming in to assist the Armed Forces of the Philippines in their counter-insurgency operations has again raised fears that the country may possibly be entering a perilous period, reminiscent of the early stages of the Vietnam War under the Eisenhower and Kennedy administrations.

The bases are very much in the picture because they represent the most massive and enduring "military assistance" from the US to the Philippines. Believed to be a depot or at least a transit point for nuclear weapons, in addition to having a staggering armory of conventional ones, the bases are supposed to "deter" any foreign aggressive design on the Philippines.

But contrary to what the bases treaty stipulate, these bases have actually been used for internal purposes, having provided Filipino troops with "weapons, communication facilities, intell.

gence and communication" services, staff training and logistical support," since the counter-insurgency campaigns against the Huks of Central Luzon in the 1950s.

The new round of military assistance being contemplated by the Reagan and Marcos administrations is directly related to the bases issue, and brings up the central question of the country's continued military dependence on the United States, as well as underscores the country's traditional image as a "client state" of a superpower using a former colony as a forward base in its global system of strategic "defense."

The rationale for this arrangement has remained unchanged since the Cold War years: containment of Communism. While pro-American sympathies were high during the immediate post-war years, there were dissenting voices warning against the presence of the bases. Senator Claro M. Recto was their most articulate critic. Far from securing and protecting the Philippines, he argued, they instead served as "magnets" that would attract enemy retaliation in a third, and final, global war. In a Dullesian universe where Communism was the Devil Incarnate, where American and Philippine officials thought their countries' interests identical, Recto was sounding a lonely alarm: the Philippines could someday be transformed into an atomic graveyard.

CSO: 4200/698

PHILIPPINES

VERITAS COLUMNIST ON U.S. INFLUENCE ON MARCOS

HK290837 Quezon City VERITAS in English 31 Mar 85 p 5

["The Human Factor" column by Melinda Q. de Jesus: "Will Washington Make a Difference?"]

[Text] Washington is talking tough these days and apparently is even ready to put some muscle to beef up its words.

But will Washington make a difference?

In the past week, the U.S. Congressional Subcommittee on Asian-Pacific Affairs revealed the conditions that would be imposed on the American aid package or the bases "rental" payments to the Philippine Government. By whatever name one calls it, the money to be appropriated by the American Government is going to be regulated, monitored and audited, as required by their system.

The readings in the U.S. Congress coincided with the "leaking" of a U.S. State Department document which lists 16 high-priority measures intended to help arrest the further deterioration of the Philippine situation. In a later development, the Solarz Committee slashed military aid to the Philippines by 75 percent while raising economic assistance funds by 63 percent.

Given the current economic crisis, the Marcos regime needs every dollar it can beg or borrow. The deliberations in Washington on Philippine aid, therefore, cannot be ignored by the government. Sadly, Filipinos have come to feel that the "stick" in the American approach makes Marcos listen in a way he does not feel compelled to do when the messages come from his own people.

Most Filipinos seem pleased that the U.S. is stressing economic over military aid. They believe that the insurgency problem cannot be settled by a military solution. Few Filipinos are convinced that increased financial support of the military would rebound to the benefit of the Filipino people, at least for as long as the leadership of the AFP [Armed Forces of the Philippines] is in question and the credibility of the institution remains at an all-time low. They only have to remember that the military takes the largest cut of the national budget but has little to show for it in terms of assuring the safety of ordinary citizens. Its increasing power has served presidential, not

necessarily national, security purposes, so that additional funding for it is seen only as so much more support for the instruments of repression.

This may seem like harsh judgment, until one reviews the record of the military on human rights in the last decade. There is little reason to believe that it has now come to a turning point.

The reforms listed by the Solarz Committee reflect the concern for human rights, fair elections, an independent legislature and judiciary, the professionalization of the AFP and justice for the murdered Aquino. But progress on these issues depend on the goodwill of the government. Can even U.S. pressure persuade the regime to act against its own interests?

Washington apparently still believes that Mr Marcos can be prompted or pushed to reforms. Many Filipinos no longer believe that this is still possible. Such measures as the Solarz reshuffling of aid funds may have no more than symbolic value. With all the creative accountants in the employ of the regime, what is to prevent the money, once released, from being reshuffled back to the pockets for which they were originally intended?

But beyond these tactical problems is the growing realization among those most active in the protest movement that genuine democratization must begin from the bottom. It must be nurtured by structures that strengthen communities at the grass-roots, by processes that expand their capacity for self-reliance. But it is precisely these structures and processes which are eroded and undermined by the continuing exercise of authoritarian rule.

While Mr Marcos has shown sufficient cunning to pass off cosmetic measures as concessions to public pressure, he has, in fact, surrendered little of his vast powers. For this reason, American references to the progress made towards normalization mystify many Filipinos. They see little evidence that Mr Marcos has acquired the necessary moral courage to divest himself of dictatorial powers as a step towards the restoration of democratic rule.

Mr Marcos can be "part of the solution" only if he can prevail upon himself, his family and friends, to give up their power and privilege. Otherwise, he remains in the eyes of many Filipinos a problem that won't go away, one that they must eventually come to solve themselves, with or without a little help from their friends.

CSO: 4200/715

PHILIPPINES

DISGRUNTLED LEAVE PDP-LABAN, RE-ESTABLISH OLD PARTY

Davao City THE MINDANAO DAILY MIRROR in English 14 Feb 85 pp 1, 6

[Text] Scores of members, including Sammy C. Oceña, the first national Secretary-General, left the PDP-LABAN last Sunday, February 10, 1985, and re-established the Pilipino Democratic Party, the original component of PDP-Laban before the merger in 1983. The exodus is expected to be joined by members in the other parts of the Philippines.

The members adopted the formal name Partido Demokratiko ng Pilipinas and re-adopted the short name PILIPINO.

Explaining the reasons for their withdrawal from PDP-LABAN, the "Pilipinos" declared in their First Manifesto: "To our brothers and sisters in PDP-LABAN and to our countrymen:

"We joined PDP-LABAN because we were outraged by our unjust social system; by the suppression of human rights, justice, and truth by those we entrusted with political power; by the gross violation of the Constitution of the Fourth Republic; by the power-hungry and money-hungry politicians who exploited, manipulated, and even sold, us;

"We believe that we need a new Way of Life that will help insure the establishment and maintenance of a social order characterized by Freedom; Solidarity; Justice, Equity, and So-

cial Responsibility; Self Reliance and Efficiency; and Enlightened Nationalism.

"We have noted that PDP-LABAN is now being dominated by persons who are obsessed with Political Power, not with the transformation of each Filipino nor with the transformation of our social system. They have forgotten our vision and have made our basic principles mere slogans.

"We now know that foreign funds were received and used by some leaders of PDP-LABAN, in violation of our basic principles.

"We are shocked that representatives of PDP-LABAN in the Batasan Pambansa received a Christmas bonus of ₱15,000.00 last December; that they joined the "Mambabatas ng Pangulo" in ganting themselves nearly ₱40,000.00 monthly allowances, in addition to their monthly pay of ₱5,000.00. They provided for their own interests while millions of our brothers and sisters can not even enjoy the basic necessities of a decent and dignified life.

"So that our principles would be preserved and propagated, and our vision realized.

"1. We are leaving today the PDP-LABAN;

"2. We are re-establishing the Pilipino Democratic Party

(the original party before merger with PDP-LABAN), under the Pilipino, name Partido Demokratiko ng Pilipinas, and the short name, PILIPINO, and we will submit in due time a Revised Constitution of the Pilipino Democratic Party;

"3. We are calling on our brothers and sisters in PDP-LABAN who have the same realization, ideals, principles, and objectives, to join us in PILIPINO;

"4. We are calling on our fellow countrymen who believe in the same vision, ideals, principles and objectives, to also join us in PILIPINO.

"Davao City, Philippines, February 10, 1985."

CSO: 4200/698

PHILIPPINES

ARTICLE VIEWS CPP ROLE IN OPPOSITION

Makati MR. & MS. in English 15-21 Feb 85 pp 24, 25

[Article by Miguel Q. Taylor]

[Text]

WITH his usual flair for words and drama, Salvador Laurel told his audience of one million people last Aug. 21 he hoped someday "the reds would meet the yellows." Only then, he added, would Ninoy Aquino's dream of reconciliation come true.

Months have passed and the reds have met the yellows. Businessmen and old-style politicians now link arms with student activists — something considered unthinkable before the Aquino assassination. They pound the gates of Malacanang together, march side by side and take turns in using the loudspeaker at rallies.

That dream however is far from being realized. Whether the increasingly friendly ties between the traditional Opposition and the left could last well beyond the present regime is still an open question. Although they agree on some points, they differ sharply on many issues. As P.N. Abinales, a political analyst at the University of the Philippines put it: "It will be extremely difficult for these two groups to work together. But who knows, politics makes strange bedfellows."

Last month, several Opposition figures made a bold attempt to

ease tensions and narrow differences with the left. In its Declaration of Unity, the Convenor Group agreed that an Opposition-led government must take steps "to redress grievances of all who have resorted to armed struggle." One conclusion was reached: the Communist Party of the Philippines should be legalized.

Not surprisingly, many Marcos supporters howled in protest. Political affairs minister Leonardo Perez branded the proposal as naive, adding: "You cannot expect the Marxists to come down from the hills and lay down their arms."

But that isn't the point of the legalization issue, argued former senator Jose Diokno. It would take a great deal more than recognizing the CPP, he admitted, to prod the insurgents into giving up their armed struggle. But, he said, it would at least be a small step in that direction. The communists have been banned, outlawed and excluded from Philippine mainstream politics since 1932. The government continues to adopt a mailed-fist policy against them. In spite of that, Diokno pointed out, "their appeal hasn't diminished a bit".

Indeed, the CPP has emerged from a small movement of trade union workers in the 30s to a rapidly growing force today. Its military arm, the New People's Army, is apparently still in no position to make its final bid for power. "But it is definitely a force to reckon with," said Abinales, a research fellow at the UP Third World Studies Center. Lately, the CPP-NPA has been scoring heavy gains as it engages the army in clashes, builds up its arsenal and expands its propaganda network.

It remains unclear whether the left would accept the offer of legalization in case of an Opposition victory. So far, it has been skeptical. Certain intellectuals for instance recall how the *Partido Komunista ng Pilipinas*, a group of non-violent Marxists Left over from the Hukbalahap days, lost its credibility by co-operating with the Marcos regime. Others predict there would be rifts, feuds and even a jockeying for positions within the CPP if its leaders choose recognition. "A split is sure to occur that might possibly mean the end of the Party," said one leftist source.

For his part, alleged CPP chairman Jose Ma. Sison neither welcomed nor rejected the proposal. When asked in a recently published interview whether the Party would be willing to enter mainstream politics, the jailed former professor replied he could not speak for the CPP.

"At any rate, I suppose that the CPP is pleased to be recognized as an important factor by the legal Opposition," Sison said.

The mere act of opening the door to the communists, regarded for so long as little more than bandits or criminals, would be in itself revolutionary, said former

Amnesty International worker Ed Garcia. "Matters could be settled in the marketplace of ideas, not in the battlefield," he noted. Unlike others who believe the left will pursue its armed revolution at all costs, Garcia said a post-Marcos regime could very well steal support from the CPP by seriously addressing the problems of poverty, land and hunger. "No right-thinking person would want armed struggle for the sake of armed struggle," Garcia, also an expert on Latin American politics, added.

How far that door would be actually opened isn't known yet. Diokno said the new leadership, if it abides by the Convenor Group's plans, would definitely scrap existing laws like PD 1835, which imposes life imprisonment to death on members of subversive organizations. But the law on rebellion would remain, he added. In any case, the CPP would be welcome to operate like any other legitimate political party.

"If the CPP wants to come in, that's fine. If they don't, that's their decision," the former senator said. "But let them not say afterward that they resorted to armed struggle because they weren't given a chance to be heard."

Diokno also questions the circumstances under which the CPP was banned. When the Party led by Moscow-influenced labor leader Crisanto Evangelista first went underground, the country was still a slumbering U.S. colony. "The funny thing is that in the U.S., the Communist Party is legal," he said.

The line has yet to be drawn between communists who take up arms and communists who merely embrace the theory, Garcia added.

The government's hard-lined policy against the left, he said, is due more to a "fear of the unknown" than anything else.

"It's just like Cold War hysteria," he said. "In the past, people thought that the Russians were coming: Now the First Lady herself visits Moscow."

In the meantime, as the regime continues to combat Marxism with bullets, it seems unlikely that the left will cut short its new alliance with the middle class. In fact, Sison himself recently hinted that supporters of the CPP may rally behind the traditional Opposition in the forthcoming local and presidential elections.

"Far from being an endorsement of the nature and workings of the regime," he said, "the elections will be occasions for and some means of further exposing and opposing the anti-national and anti-democratic character of the regime." Just the same, it appears that the left, which had earlier pressed for a boycott of the 1984 polls, isn't going to undermine the Opposition's efforts to get its act together and gird for battle. What will happen after the smoke is cleared is another matter. Until then, Filipinos are bound to see more red banners laced with yellow ribbons.

CSO: 4200/698

PHILIPPINES

MALAYA REPORTS 'POLITICAL VENDETTA' IN ZAMBALES

Quezon City ANG PAHAYGANG MALAYA in English 16 Feb 85 pp 1, 6

[Article by Godo Pineda]

[Text] IBA, Zambales--A campaign of political vendetta has been waged quietly in national and provincial government offices in this province against those who voted or campaigned against the Kilusang Bagong Lipunan (KBL) in the last elections, documents gathered here indicate.

Sources here said some 560 provincial government employes have been laid off and at least four personnel of national government offices here relieved or transferred since the Batasan elections in May 1984, with the axe expected to fall on many more.

A trail of official correspondence would seem to confirm the existence of a campaign of political vendetta against dissenters.

It appears to have been touched off by a letter, dated July 19, 1984, to President Marcos calling for the "removal or transfer" of 14 government personnel and the recommitment to prison of a parolee for either having voted for or campaigned for the UNIDO in the Batasan elections.

The letter was sent through Justice Minister Estelito Mendoza and bore signatures over the printed names of Zambales Governor Vicente L. Magsaysay, who is also the KBL chairman and campaign manager in the province, and Assemblyman Antonio M. Diaz, also of the KBL.

Starting with a reference to the victory of the KBL candidate in Zambales "in spite of all difficulties" the letter urged: "Mr. President, we have to take action immediately against these people as they have been campaigning openly against the administration and supported the UNIDO candidate last elections."

"Strongly" recommended in the letter for "removal or transfer" were:

- Judge Sancho Abasta of this capital town;
- Provincial Fiscal David Rosete and an assistant provincial fiscal, whose name on the document was illegible;
- Sheriff Florencio Mano;

--District Engineer Estanislao Canlas and Pablo Villamin, supply officer, both of the Ministry of Public Works and Highways;

--BIR agents Florentino Uy and Porfirio de Guzman;

--Supervisor Alexander Villanueva and Andres Balaoing, both of the Ministry of Education;

--Transportation inspector Antonio Gonzales and senior driver examiner Edward Santos, both of the Bureau of Land Transportation;

--Bonifacio Robles of the Bureau of Animal Industry; and

--Erudito Paradeza of the GSIS office in San Fernando, Pampanga.

Also recommended was the recall of the parole earlier granted to Solomon Anito of this town.

At least four of those named in the recommendation to the President have received transfer orders: Paradeza to Calamba, Laguna; Gonzales and Santos to the BLT regional office in San Fernando, Pampanga; and Canlas also to San Fernando.

Santos is the brother-in-law of Botolan Mayor Amor Deloso who ran against the KBL's Diaz under the UNIDO banner, but lost. A protest filed by Deloso against Diaz is still pending resolution by the Supreme Court.

Instead of assuming his new post, Santos filed for a year's leave of absence "to let things cool down."

But Anito, who sources said was put on the crackdown list simply because he was seen with Deloso at a political meeting here, has been issued a warrant of arrest and recommitted to prison reportedly on orders of the justice minister and "on representation of Gov. Magsaysay and Assemblyman Diaz."

Uy's "sin" on the other hand, was replaying Deloso's political speech from his store front of which an opposition crowd had gathered, sources said.

What was striking about the crackdown was the series of apparently authentic formal correspondence with which it was effected. Typical was the trail of documents laid by the transfer of Gonzales and Santos.

Five days after the date of the Magsaysay-Diaz letter to the President, a memorandum bearing a signature above the name of Minister of Transportation and Communications Jose P. Dans referred the letter to Bureau of Land Transportation Director Mariano Santiago "for your immediate attention." Dans' letter was signed July 24, 1984, the same date of a follow-up letter to him bearing Diaz's signature and urging "immediate remedial action" on the July 19, 1984 letter to the President.

This was followed by an endorsement bearing a signature over the typewritten name of Santiago, dated August 2, 1984 and addressed to the acting regional director-designate of the BLT regional office in San Fernando, Pampanga. Making reference to Dans' July 24 memorandum to Santiago, it directed "immediate appropriate action."

On November 12, 1984, the BLT acting regional director for Central Luzon, Leo Candelario, issued an order transferring Gonzales and Santos and two others "in the interest of the service."

Supporting the Candelario transfer order were purported investigation reports, signed by a certain Emilio Mamaril, attesting to Gonzales' and Santos' alleged partisan activities, which both of them denied.

It was not immediately known how many of the 560 employes of the provincial government earlier laid off "for financial reasons" were included in the crackdown.

But Jaime Escusa, employed in the provincial treasurer's office, identified those that have been hit by the whip as Reynaldo Acuvera, Jorge Acuvera, Faustino Corum and Elsa Malcaba. Others were reportedly told to go on forced leave.

Escusa said he himself was asked to resign but refused, "I did nothing wrong, why should I resign?", he said.

CSO: 4200/700

23 April 1985

PHILIPPINES

VALENCIA ON OPPOSITION UNITY, BENEDICTO CHARGES

Manila PHILIPPINES DAILY EXPRESS in English 16 Feb 85 p 4

["Over a Cup of Coffee" column by Teodoro F. Valencia: "NUC Will Worsen Rivalry"]

[Excerpt]

LIN CASE you want to know what President Marcos and his American Amvets visitors were laughing about so lustily, I'll tell you. The President was telling the Americans how many times his ill-wishers had killed him over the last 18 months. Those prophets of doom were mostly American newsmen. And, we might add, American congressmen too.

Nobody can fault the choice of former Justice Cecilia Munoz-Palma as head of the UNIDO-backed National Unification Committee which will meet on March 10. The trouble is that even if that unification convention succeeds, it won't unify the opposition. It will only worsen the rivalry between that group and the Governors' Group of Tanada-Aquino-Ongpin and possibly the Liberal Party group.

The way the "cause-oriented" opposition groups acted in the recent Convenor's Group meeting, they prepared the ground for the opposition candidates who won in the May 1984 election. The opposition MPs either laughed this off or were insulted. Elections, after all, are never won that way. You don't create an atmosphere and everything goes into place. Candidates still have to fight for every vote and spend money too.

Filing charges against Ambassador Roberto S. Benedicto only showed the weakness of the case against him in the Batasan subcommittee investigating the sugar industry. The idea was to smear Benedicto before he could refute the attacks against NASUTRA and his person. It did not work. His testimony in the Batasan committee squelched most of the diatribes against him. He had the solution to the problem nobody was solving.

Notes: The testimony of Director Delima of the bureau of domestic trade should make the Batasan Committee on Trade and Industry look deeper into the activities of the Consumers Union of the Philippines. There are more than one million farmers earning more than P20,000 a year but who don't pay any taxes. Only the poor workers and employees who earn half that much are forced to pay income taxes.

CSO: 4200/703

PHILIPPINES

EDITORIAL ON ECONOMIC SABOTAGE CHARGE AGAINST BENEDICTO

Quezon City ANG PAHAYAGANG MALAYA in English 17 Feb 85 pp 1, 4

[Editorial: "Agonizing Dilemma for Marcos"]

[Text]

The filing of a criminal complaint for economic sabotage through sugar smuggling by the entire Batasan opposition members against Ambassador Roberto S. Benedicto, chairman of both the Philsucom and the Nasutra, KBL treasurer and a very close crony, has placed Mr. Marcos in a terrible fix.

While the innocence of the ambassador is presumed, there are certain considerations and evidence adduced by the complainants to indicate that a *prima facie* case exists.

And the fact that all the opposition Members of Parliament have decided as one to bring the case before the Tanodbayan is an indication of the sufficiency and strength of the evidence compiled by them against Benedicto and five other officials of the Nasutra.

The grave dilemma which the President has to solve is: Will he invoke the constitutional clause on immunity to save the sugar czar from any criminal liability?

Under an amendment inserted into the Constitution on the President's orders, the President is free from criminal or civil liability arising out of any official act even after he ceases to be in office. This immunity is extended to any government official who acts upon the order of the President.

In the Benedicto case, should Mr. Marcos certify that the importation of the sugar was done under his authority, then there would be

no case. The Tanodbayan would throw the complaint of the opposition out of the window.

Presidential certification had happened once or twice before. We remember that the governor of a Northern Luzon province was accused before the Tanodbayan of importing over-priced construction equipment but the case was dismissed by the Tanodbayan when the accused produced a certification from Mr. Marcos that the importation had been done under his imprimatur.

So, to go back to the question: Will the President move in like manner to save his close friend and political ally from the stigma of being prosecuted by the Tanodbayan and of standing trial before the Sandiganbayan for economic sabotage?

The finding alone of a *prima facie* case by the Tanodbayan will result in the suspension of Ambassador Benedicto and his co-accused as well as their arrest and subsequent trial before the Sandiganbayan.

This is the agonizing dilemma that confronts Mr. Marcos today.

CSO: 4200/700

PHILIPPINES

COLUMNIST ON SERIOUSNESS OF COMMUNIST THREAT

HK300446 Manila TIMES JOURNAL in English 29 Mar 85 p 4

["To My Mind" column by Gerry S. Espina: "Communist Threat More Real Than Ever"]

[Text] The recent takeover by the NPAs of one Kalinga-Apayao to where they executed, right in the center of town, a policeman, gathered all the firearms of police and burned the mayor's residence, and the raid on an armory in the outskirts of Bacolod City should make us seriously consider the warning of AFP [Armed Forces of the Philippines] Chief of Staff Lt. Gen. Fidel Ramos that our "non-recognition of the communist threat" is placing our country in grave danger. General Ramos should know what he is worried about. A very sober military man who is known for his honest views and conservative character, he would not have given this warning if he was not truly worried that complacency of many of our people on the real and present communist threat is a very dangerous one. True enough, many of our people, especially those of us in Metro Manila do not even talk about the danger of communist take-over of our country. Very often we read with only passing interest reported increasing incidents of NPA takeover for hours or days of a barrio or town. When, for instance, a town in Laguna only a few hours from Manila was taken over by the NPA's a few months ago, no one amongst us seemed to have worried about it.

This, according to General Ramos, is where the real danger lies; when the people seem not to care. For then, it might be too late. Maybe a reason for this is that many of our people are hard pressed on their day to day struggle to survive, to find work or to earn some more in order to beat the present economic crisis that a communist take-over of the country seems to be of no immediate concern. Then, too, some politicians could be blamed. Very often we hear of politicians declare that the present communist threat is only a ploy of President Marcos to further strengthen his position and consolidate his political control. Maybe so. But what if the situation as pictured by General Ramos and even by some U.S. high ranking officials is true? Would it benefit our people and country more if by promoting hatred for President Marcos and thus diverting the people's true appreciation of the real danger of communist take-over, the communists thus succeed? The fact is, the communist threat is a real one, more in fact than during the early fifties for then, the threat was limited to the Central Luzon area. Now, it is all over, in Mindanao, in many parts of Luzon, and in the Visayas. Those of us who live in

Metro Manila may not see the very immediate motive of the danger but let us ask those who visit us from the provinces, they will tell us.

That is why we really can't understand the opposition's stand that the Communist Party should be legalized. Of course they say that we must do so only if the communists abandon their armed struggle. But will the communists do this? Will they lay down their arms and openly participate and compete in the electoral processes of our country? We doubt very much. Not now, when, as General Ramos said, they are much stronger now than in any other time during their many years of armed struggle to take over the government. So why this stand of the opposition? And why the attempt to minimize the communist threat, to picture it only as a Marcos' pol? We remember Vietnam. Those opposed to the ruler of Vietnam then did what some politicians are doing now in our country. The Vietnamese oppositionists were so successful in implanting hatred for their ruler and in minimizing the communist threat that the leadership in Vietnam collapsed. But did the so-called democratic opposition politician took over the Vietnamese government? No. The communists did the Vietnam today is the communist's bulwark in our part of the world and so very close to our shore.

CSO: 4200/715

PHILIPPINES

PAPER REPORTS NEW GOALS OF INDEPENDENT POLL. BODY

HK290844 Quezon City VERITAS in English 31 Mar 85 p 15

[Text] The National Citizens Movement for Free Elections (Namfrel) will not confine its activities to poll watching but will set new goals to make it a more potent force for democracy.

After two days of soul-searching, about 500 Namfrel volunteers representing a cross-section of the citizenry, resolved that although they consider making democracy work in this country as Namfrel's ultimate objective, they realize that they cannot realize this by merely acting as poll watchers.

They affirmed that the Namfrel volunteer is to guard not only the actual election process but also other related systems or structures that would affect the democratic process. Thus, Namfrel will expand into the Bantay ng Bayan movement and undertake activities ranging from poll watching to working for electoral reforms, to safeguarding the security and well-being of the people involved in the entire exercise.

Jose Concepcion, Jr., Namfrel national chairman, pointed out that the majority of these people are the urban poor and the small rural folk who, as long as they remain poor, remain easy prey of elements that seek to undermine democracy in the country.

Indications are that Namfrel volunteers will pursue their new self-imposed tasks with as much vigor and doggedness--if not more--as they exhibited during the May 14 election. The commission on elections has publicly commended Namfrel for a job well done, a resolution commending Namfrel has already been reported out favorably by a Batasan committee, while Jose Concepcion, Jr. has been named Man of the Year by the prestigious Catholic Education Association of the Philippines because of his involvement with Namfrel.

In the next few weeks, Namfrel volunteers will be holding mini-conventions throughout the country to formulate work programs that will prepare Namfrel chapters for the greater tasks ahead. In the conventions, problems peculiar to the locality will be threshed out, more notable of which are flying voters, unreliable voters' lists, harassment, boycotters, and limited financial resources.

On top of the task list is Namfrel's reaccreditation as citizen arm of the Comelec [Commission on Elections]. The unflagging enthusiasm of Namfrel volunteers was typified by a chapter leader who, when asked what he would do if Namfrel was not re-accredited, replied: "We'll find some other ways to get our job done."

CSO: 4200/715

NYC 10

PHILIPPINES

ARMY GENERAL RAMAS ORDERS CIVIC ACTION ACTIVITIES

Davao City PEOPLE'S DAILY FORUM in English 15 Feb 85 p 3

[Article: "Military Civilian Abuses Boost Communist Growth"]

[Text] Cagayan de Oro City--Army chief Maj. Gen. Josephus Q. Ramas has ordered army units in Mindanao to conduct civic action activities in cooperation with civilian government agencies to check the growing insurgency in Mindanao.

Speaking during the 15th anniversary of the army's fourth infantry division (4II) at Camp Evangelista, Ramas said the growing insurgency in Mindanao, particularly in regions 10 and 11, (northern and southwestern Mindanao), although not too alarming, has raised concern of the national leadership.

Ramas said the neglect and abuses by those in the military and civilian agencies contributed to the growth of communist influence and the hostile and indifferent attitude of the people towards the government and its programs.

"It is not ideological but growing dissatisfaction and disenchantment that draw people towards the communist party" he said.

He added local leaders and politicians have promised the people so much but have given a little.

After years of being taken for granted, the people felt deceived and have become cynical and hostile, Ramas stressed.

He also admitted that abuses committed by some military men have contributed to the problem.

However, it is the policy of the armed forces not to condone these abuses, Ramas said.

Ramas told military and civilian government officials who attended the celebration to stop these abuses and join hands in delivering services to the people through civic action activities.

He said the solution to the insurgency problem is not debates on ideology because barangay residents are not ideological communist but delivery of services to the barangay residents will make them feel the love, affection and concern of the government.

CSO: 4200/697

PHILIPPINES

NAVY CHIEF SENDS SEABEES ON CIVIC PROJECTS

Manila BULLETIN TODAY in English 16 Feb 85 p 17

[Article by E. T. Suarez]

[Text]

Rear Admiral Si-
meon M. Alejandro,
flag officer in com-
mand of the Philip-
pine Navy, has called
on the men in uni-
forms to always
observe good conduct
and behavior in deal-
ing with the people
they are sworn to
serve in order for
them to merit the re-
spect and confidence
of the public.

Speaking before
the combat engineers
(Seabees) of the Naval
Construction Com-
mand during a send-
off ceremony for them
at the PN headquar-
ters, Alejandro said
men in uniforms, par-
ticularly those who
are in constant touch
with the community
have to comfort them-
selves in a manner
that befits the disci-
pline for which the
military is noted for.

"Perform your task
in the tradition and
excellence for which
the Seabees are

noted," Alejandro
said. "You represent
not only the entire
Navy but the whole
military establish-
ment as well."

Alejandro said the
Seabees, like the
marines, have a good
reputation to main-
tain and this should
always be upheld.

The Seabees who
boarded a Navy ship,
were sent to Eastern
Visayas by the
admiral to assist in
implementing the in-
frastructure and civic
action projects in the
area. Trained both in
combat and civilian
works, they were sent
to the field in com-
pliance with the
directive of President
Marcos to the military
to assist in civic
action projects in the
provinces and far-
flung areas.

The Seabees will
particularly help in
building a microwave
station in Palo,
Leyte.

CSO: 4200/703

PHILIPPINES

DAVAO DAILY REPORTS MORE SPARROW TEAMS IN CEBU

Davao City PEOPLE'S DAILY FORUM in English 14 Feb 85 pp 1, 6

[Text] It was a turbulent week in Cebu as the military intensified the hunt for NPA "sparrow" units, which were reported to have "infiltrated" the island.

Government intelligence operatives gunned down two suspected members of the NPA "hit squad" in Mabolo district of the city.

Brig. Gen. Renato A. Ecarma, head of the military Regional Unified Command (RUC), said the two were members of the dreaded "sparrow" unit from Mindanao, one of whom carried an 85,000-peso reward for his capture dead or alive.

For sometime, intelligence operatives thought the two were the unknown gunmen who had killed lawyer-radio commentator Vicente Villordon on Dec. 28, 1984.

But eyewitnesses to the fatal shooting, however, were reluctant to confirm that the slain men were Villordon's killers.

Ecarma said the military intelligence community had information that at least seven teams had infiltrated Metro Cebu area.

A surprise raid at a house where they have stayed yielded espionage books and documents showing that the pair was equipped with sophisticated communication equipment, the military said.

Barely hours after the two were gunned down by government men, another gunman shot and killed in a broad daylight a bank security guard before terrified onlookers at the vicinity of the city's main public market.

Believed to be member of the "agaw armas" gang, the gunman fled with the guard's .38 caliber service revolver.

As the week ended, another unknown gunman strafed a barangay fair in Sogod town, 60 kilometers north of Cebu City, killing a constabulary sergeant and wounding two civilians.

The military intensified its operations to track down the gunmen.

All along strikes and protest actions continued to rock the city until the week ended.

The more than three months picketing at the Metro Cebu Community Hospital by more than 50 dismissed hospital workers threatened to flare up into open violence when a hospital official allegedly tried to facilitate the entry of someone who wanted to get into the strike-bound medical center.

Similar unrest gripped vendors around the Basilica Menore housing the miraculous image of the Sto. N in downtown Cebu authorities tore down their stands and drove them off the streets for violation of a long-existing city ordinance banning the obstruction of streets and sidewalks.

Vendors tried to fight off government demolition men and then went to court to get an injunction.

The week was capped by sudden mass protest action on students at the once-embattled Cebu Institute of Technology (CIT) south of the city demanding a dialogue to pave the way for the restoration of the school's student government.

Classes were disrupted when the school's more than 4,000 students failed to get to the classrooms due to barricades set up at the school gates by militant student leaders.

Meanwhile, a policeman and a businesswoman were kidnapped Sunday night by five suspected members of the sparrow unit of the New People's Army in Talisay, Cebu, police reported.

Maj. Jose Alorro, station commander of the Talisay police station, said Pat. Boy Zabate of the Toledo police station, and businessman Alejandro Macaraya of Tabunok, Talisay, were having a gambling session with friends in a house in Tabunok when two armed men barged into the house.

Alorro said the unidentified men dragged the two victims into a car where three others were waiting. They divested the policeman of his .38 caliber revolver after firing warning shots into the air.

Alorro said the group could be part of the sparrow unit of the NPA sent here from Mindanao to intensify their activities in Metro Club.

Police have launched a hunt for the suspects and the kidnapping victims, Alorro said.

CSO: 4200/697

PHILIPPINES

ARTICLE ON PLIGHT OF VILLAGERS IN NPA AREAS

Davao City PEOPLE'S DAILY FORUM in English 15 Feb 85 p 6

[Article: "Government Versus Rebel Presence"]

[Text] Before the government poured powerful forces to seek and destroy the rebels after the sacking of Maco, there was hardly any government presence in the far flung barangays, especially in the City of Davao. Yet by day, there is the invisible subversive, and by night, in the distant barrios, the teach-in continues. Eventually young boys are recruited with or without the family's consent. From there on, the guerilla training starts. That this can happen 1km. or less from army compounds or highways is unthinkable. But honestly ask your barrio brothers and sisters and there is the same refrain.

To counter this, one mother has to scatter his strong sons throughout the city and provinces. Another has urge his son to escape from the barrio. Others simply evacuated.

Still for many, there was just no way to escape the forced recruitment or open sympathy. Yet, according to the government, thousands more have not been able to evade membership or sympathy for the NPA or to leave the barrios. Many are christened "Masa". They are actually captives of their only source of livelihood farming.

Simply said, the NPA's are in the barrios day, and night, while the civil government are only there at most during the day or on occasional military sweeps at night. Now, there is a tilting of the balance. The government men can be accorded apparent cooperation, but as they depart the rebel cells simply reactivate. They follow Mao's dictum according to Army General Ramos.

Even in the mining boom barrios, rebels presence, if not controlled are keenly felt by everyone. Thus, the rebels strong points or loyal mass bases are back of the country roads, dead end barrio streets impassable trails, slums, squatter enclaves, inaccessible places, etc. Civilians fear of the invisible rebel presence and the certain knowledge that they can retaliate swiftly once the army patrols have left, dispel any genuine and continued civilian cooperation.

This is more pronounced in place where roads are poor, health centers and government assistance slow or none. Our government must face the fact that

all the armed forces can not protect every citizen. In that milieu, the rebels move around with impunity.

As an instance, a friend has a brother-in-law. His in-law wife blabbed too much during the marine operations. When the marines left, she was promptly decapitated by the terrorist to serve as a lesson. There are still others too who gave more gruesome report, yet they don't get into the newspapers. Only the barrios folks know them by heart. Sudden death, summary executions, maiming, skinning or mutilation are real enough for the defenseless civilians. Meantime, they have to contend with the rebels in their presence and civil rights violations, too. Both can crash the common man. But one wonders at his stamina for survival, in the face of these formidable crushing forces since 1972.

CSO: 4200/697

PHILIPPINES

CPP-NPA PLEAD GUILTY TO DAVAO LABOR INFILTRATION

Davao City THE MINDANAO DAILY MIRROR in English 16 Feb 85 pp 1, 6

[Article by F. M. Basanez]

[Text]

Davao City—Four CPP/NPA members today pleaded guilty to subversion and rebellion charges before a regional trial court here.

Found guilty and convicted by RTC Branch 16 Judge Renato Fuentes were Joel Maglungsod, Dominador Montera, Wilfredo Limen and Eduarao Lagrome for violations of RA 1885 or the Subversion and Rebellion Law.

The admission of the four men confirmed a PC/INP RECOM 11 intelligence report of massive CPP/NPA infiltration in local labor ranks. It also unmasked the communist campaign inciting laborers to sabotage plant operations through strikes and thereby destabilize the economic recovery program in Davao.

The four were nabbed in a raid by elements of the Davao Metrodiscom and the Regional Special Action Company (RSAC) at the DDF Village in Mandug here September 16 last year. An intelligence report had revealed that Maglungsod, Montera, Limen and Lagrome—who were not from the workers group—managed to penetrate and manipulate the labor union of the Lapanday Development Co. (LADECO) and similar agribased corporations.

The same report said they succeeded in organizing mass

action groups at the DDF Village and surrounding barangays, converting the area into both an operational base and a linkage point for urban partisan units and NPA terrorists groups in the countryside.

Brig. Gen. Dionisio S. Tan-Gatue Jr., PC/INP RECOM 11 commander, said their penetration into the labor ranks had been closely monitored, adding that their subsequent arrest may have reversed subversive infiltration plans.

Shortly after they were arrested, labor and other groups went on a series of mass action and the release of the four men was one of their demands. The unsuspecting demonstrators had pictured Maglungsod and Montera as ordinary workers and that their arrest was an attempt to suppress labor. Their own admission of guilt however showed that they had manipulated the laborers and the working class.

Gen. Tan-Gatue quoted an intelligence report showing the two men as ranking members of the Nagkahiisang Mamumuso sa Habagatang Mindanaw (NAMAHMIN), using their membership as a tool to infiltrate the organization. He added that the plea of guilty and conviction of the four CPP/NPA members may finally encourage labor and other sectors to cleanse their ranks of communist infiltrators.

PHILIPPINES

BAGUIO PAPER DESCRIBES BALWEG'S 9 FEB 85 SADANGA RAID

Baguio City THE GOLD ORE in English 16 Feb 85 pp 1, 12

[Text]

A GROUP of about 600 New People's Army (NPA) men believed to have been led by rebel priest father Conrado Balweg attacked the police station of Sadanga, Mountain Province disarming all military men and held the town for over 12 hours last Saturday, February 9.

No casualties were reported during the attack on the police station which also served as a detachment for Philippine Constabulary (PC) soldiers and Civilian Home Defense Force (CHDF) militia men.

Major Marvin M. Concha, PC Regional Command (RECOM) 1 Information Officer, said the attack staged at around 4:00 a.m. was done by some 200 armed regulars and 400 Botbot tribesmen from neighboring Kalinga-Apayao province who were allegedly convinced by Fr. Balweg to join the raid.

The Botbots were used to aid the NPA's because they had tribal hostilities with people of Sadanga, Maj. Concha said. Sadanga is about three hours uphill ride along rough roads from Bontoc which is 146 kilometers from Baguio.

The Major said there were no casualties because Sadanga elders reportedly asked the soldiers not to fight back. The NPA's, most of them in g-strings, confiscated around 50 assorted firearms composed of Armalite, Garand and carbine rifles and handguns of .45, .38 and .22 caliber plus rounds of ammunition.

Maj. Concha added that his commanding officer, RECOM 1 Chief Colonel Benjamin J. Ignacio, Jr., has dispatched reinforcements earlier during the week and personally flew in to the area Wednesday morning.

Col. Ignacio assured the people of continued support and assistance and that they will maintain a strong presence inspite of massive infiltrations by communist terrorists.

Concha further said that unfortunately, a land rover jeep full of soldiers which was part of the reinforcement convoy fell off a ravine along the Baguio-Bontoc stretch of the Halsema Mountain Highway resulting in the death of one trooper identified only as Constable First Class Lingayo.

Travellers from Bontoc have a different version of the incident.

Informants said the attack was staged earlier at about 2:30 a.m. Saturday morning. The NPA's surprised the soldiers in the detachment, got their guns and tied them up. Others who were not at the station were rounded up by separate NPA teams from their respective dwellings, told to surrender their guns and ammunition and were subsequently brought to the station and tied up.

Reports received by the Cordillera People's Alliance (CPA) and the Cordillera Consultation and Research (CCR) stated that aside from the soldiers, Sadanga Mayor Isao Fagto, Ex-Mayor Kawaren, Police Chief Lieutenant Mangomoc and the CHDF Commander were also captured, their hands tied behind their backs.

The informants added that the raiders numbered around 800 including those who manned roadblocks and other entry points to the town. After securing the town, Father Balweg conducted a public meeting which lasted until early evening of Feb-

ruary 10.

The reports from the CCR and CPA stated that the NPA's explained that their main purpose was to disarm all military, militia and civilians with guns but they do not intend to liquidate anybody" . . . whether soldier, police, CHDF or anybody if he has no bad record against the people." In the course of the meeting the bonds of the Mayor, Ex-Mayor, Police Chief and CHDF Commander were untied. The soldiers were also subsequently untied.

"After the meetings," the reports further stated, "there was shaking of hands between the NPA's and the government troopers who were disarmed and the people were cheering."

The report also stated that a telescope and radio equipment were taken from the detachment while some office equipment were taken from the municipal hall" . . . to be returned on certain conditions".

The informants from Bontoc said typewriters and some cash from the vault of the municipal hall which was forced open were also reportedly carted away." NEA

CSO: 4200/699

PHILIPPINES

PAPER REPORTS LOOTING, STANDSTILL EFFORTS AT MANILA HOTEL FIRE

Manila BULLETIN TODAY in English 16 Feb 85 pp 1, 12

[Article by Joseph Lariosa]

[Text]

Metro Manila firemen appeared helpless yesterday in putting out the Regent of Manila fire and retrieving bodies of fatalities three days after it broke out in pre-dawn darkness last Wednesday.

The firefighters were held at bay by flames and oven-like heat coming from the upper stories of the five-star hotel even as complaints of lost valuables and documents belonging to the hotel guests continued to mount.

Lack of gasoline to operate the fire truck ladders virtually put at a standstill efforts to retrieve more bodies from the fire scene, thus keeping the public in the dark about the actual number of persons who perished in the fire.

Flames continued to burn in upper floors of the hotel, coming out of the windows

and ledges as the firemen watched helplessly.

Col. Levi Macasiano, Southern Police District (SPD) deputy superintendent, took control of the firefighting and peace-keeping operations after several embassies, particularly that of the United States, complained that "safety deposit boxes have been tampered with."

Macasiano immediately ordered the firemen back to work. He also ordered them searched on leaving the nine-story luxury hotel because of complaints of looting.

As this developed, a shift engineer of the hotel told Pasay arson探者 that the burning of the mainline of the electrical wirings on second floor contributed to the rapid spreading of the fire.

Meanwhile, police launched a manhunt

for a hotel union member and two male stewards who were seen roaming suspiciously in the hotel's second-floor conference room seconds before fire broke out at 12:20 a.m. Wednesday.

Capt. Reynaldo Antonio of the Pasay fire station said that several fire trucks, most of them with aerial ladders, were rendered inoperative yesterday as they ran out of fuel.

He said the fire trucks have to go to far-off Camp Panopio in Quezon City to refuel.

Macasiano told Capt. Rogelio Domingo, Pasay investigation chief, and Fire Captain Antonio, that all firemen and policemen who get in and out of the hotel will have to "be frisked" to dispel "any suspicion" of looting.

Macasiano received reports that the hotel's cash register was "axed."

Jose Ngo, the Regent comptroller who took charge of the hotel's internal security, explained, however, that he had ordered the forcible opening of some of the 256 safety deposit boxes (SDB) upon the request of its owners.

At presstime, the bodies retrieved remained at 23. The latest to be identified was a certain Yoshida, a Japanese national. The body of Juanito Valbuena, 28, Regent's night auditor, could be seen on one of the upper floors.

Meanwhile, Elmer Labog, president of

National Union of Workers in Hotel Restaurant and Allied Industries — IUF — Regent of Manila chapter, vehemently denied reports that "subversives have infiltrated the employes union in the hotel."

Labog said Regent union demands a speedy investigation of the fire and the just and prompt compensation of the fire victims and the displaced hotel employes.

Complaints of lost valuables and documents belonging to guests at the gutted Regent of Manila Hotel continued to mount yesterday.

At least eight foreign guests at the hotel said they lost cash and valuables which they left in their rooms when they escaped the burning building early Wednesday morning.

The complaints prompted the hotel management to seek the assistance of the Metrocom to set up tighter security checks on people getting in and out of the building, including firemen.

As of 1:30 p.m. yesterday, flames raged anew on the west wing of the 11-story hotel, fanned by fresh winds from Manila Bay which penetrated the still hot rooms.

Some parts of the building, especially on the west and the south wings and the lower floors, were declared safe for hotel guests who want to recover their valuables.

The Tourists-Oriented Services Association of the Philippines (TOSAP), a national organization of hotels, resorts, and tourists transport owners, expressed concern over the P100-million Regent of Manila fire.

Arturo Adriano, secretary general of the TOSAP and manager of Hotel Aurelio, urged the government to adopt a stringent policy so that law enforcement agencies and those in the hotel business can effectively coordinate and prevent further occurrences of hotel fires.

Adriano said that because of the recent string of hotel fires, his group fears that thousands of tourists who were scheduled to come to the country, including those already booked to celebrate Chinese New Year in the Philippines, might be cancelled.

Among TCSAP members, Adriano said, round-the-clock alert guarding of hotels from floor to floor has been started. He said this will last the whole year round. (Precy M. Yadan)

CSO: 4200/700

PHILIPPINES

BIGORNIA ALLEGES 'TONDO THUGS' ROLE IN RALLIES

Manila BULLETIN TODAY in English 17 Feb 85 p 6

[Commentary by Jesus Bigornia: "Did Thugs Take Farmers' Place at QC Demo?"]

[Text]

IF, as government claims, Tondo thugs have replaced legitimate farmers in a farmers' rally before the Ministry of Agriculture and Food (MAF), the affair has, indeed, lost its relevance. A combative posture backstopped by left-winging slogans betray the altered nature of the demonstration. The "demonstrators" are definitely a different breed of men from the farm folk who had trekked all the way from Central Luzon to seek redress for grievances. Real farmers anywhere in this country are about the most courteous and reasonable of men. Those encamped before the premises of the MAF in Quezon City are definitely not farmers.

* * *

Obviously, present replacements have taken over the job of protesting from the shock troops from the provinces. This time, however, they have a different, if sinister, purpose: A sustained attack on the integrity of government with a view toward its final de-stabilization. Since they have so far refrained from overstepping the limits of legitimate protest, they still deserve some consideration in efforts to disperse them. But disperse they must. Government cannot long tolerate obvious defiance.

* * *

PHILIPPINES

MALAYA SUMMARIZES WEEK OF RALLIES, DISSENT

Range of Causes

Quezon City ANG PAHAYAGANG MALAYA Sunday Supplement in English 17 Feb 85 p 16

[Photos and captions]

Striking employees from Allied Bank set fire to a Ministry of Labor and Employment decision ordering them to go back to work



Women workers picket the MOLE office to demonstrate against the ministry's alleged inability to act on cases of harassment and violence at the picket line



A rally against prostitution and pronography took place in Manila's tourist belt last Feb. 11, led by the Association of Local Supporters of Women in the Archdiocese of Manila.



Farmers try to enter the gates of the Ministry of Agriculture and Food after MAF Minister Salvador Escudero did not show up for a dialogue.

'Campus Militarization' Protest

Quezon City ANG PAHAYAGANG MALAYA in English 16 Feb 85 p 1

[Photo and caption]



YOUTH PROTEST - About 1,000 students take part in a protest during a rally in Quezon City. For Eastman University - scene of several days' encounters between school guards and youths there past few days - to protest against what they called "campus militarization." (Alex Baluyut)

CSO: 4200/704

PHILIPPINES

DAVAO CITIZENS' DEFENSE EFFORTS AGAINST 'STRAFING'

Quezon City VERITAS in English 17 Feb 85 p 14

[Article by Carolyn O. Arguillas]

[Text]

CAN anyone blame them for wanting to live?

This is the story of a community which decided, quite simply, that the only way to survive this cruel form of violence called "strafing" is to construct foxholes protected by sandbags underneath their homes.

Residents of a fishing village in the southern part of Davao City have only point at Melvin, 14, and his sister Rizza, 13 and the question "why the foxholes?" is best explained.

Melvin and Rizza, like all the rest of the fishing community, will never forget Nov. 22, 1984, 8:40 p.m. It was the day and the hour when their nightmare began. For Melvin and Rizza, it was a nightmare that would forever haunt them, for everyday they would see and feel the bullet wound scars on their stomachs. Both were victims of "strafing" incidents.

To avoid more injuries, or possibly death, the community started its "Project Survival" by digging foxholes the length and diameter of which depended on the number of family members.

While Melvin and Rizza were in the hospital fighting for their lives, their families and neighbors were fighting for their lives too — in a different way: Digging foxholes, making sandbags and trapdoors.

"Project Survival" convinced those who had not yet dug their foxholes to do so when the residents heard a rumored threat: "Pasayawon ug bala ang mga tawo sa Disyembre 7." (The people will dance to bullets on Dec. 7)

On Dec. 7 nothing happened but two families slept in their foxholes overnight. A resident said the two families were forced to sleep in the foxholes because "daghan man gud ug mga anak." (They have plenty of children). That same resident added: "Gipraktis na namo ang among mga anak. Pag buto-buto, buksan ang trapdoor ug labay ang mga bata." (We were training our children. When the firing starts, we open the trapdoor and throw in the children.)

Last Jan. 21, the residents failed to make use of their foxholes because the area was "zoned" and men, women, and children were ordered to vacate their houses. Said one resident: "Nakit-an nila ang among foxholes. Gikasab-an hinuan mi kay siguro dagatago gyud daw mi ug mga NPA. Gipaguba nila ang among foxholes." (They saw our foxholes. We were reprimanded and told we must be hiding NPAs in our area. They ordered us to destroy our foxholes.)

When Veritas visited the area, there were only a few foxholes left. The residents pointed to a

foxhole which was once deep enough to accommodate several persons standing up. Ask the residents: "Nganong masuko man sila nga maghimo mi ug foxhols nga gusto lang man namo mabuhi? Tapos karon ingnan pa ni nga nagatago mi ug NPA? Wa ba sila kasabot nga gusto lang namong mabuhi?" (Why should they get mad that we made foxholes when our only desire is to live? And now they tell us we are hiding NPAs? Don't they understand that we only want to live?).

In Barangay Tawan-tawan in Baguio District, Calinan, the de-

tachment of the Aguinaldo Battalion there faces a house with a foxhole under it.

Says Gen. Jaime C. Echeverria, Regional Unified Commander, in a dialogue with broadcasters and print media: "I would encourage that (the digging of foxholes). In the fight between dissidents and law enforcers, the people might be caught in a crossfire. I would even encourage drills so that they would know what to do when the time comes."

Indeed, can anyone truly blame the terrified populace when all they want is to live?



Graffiti in Agdao: A growing movement in Davao.

(Photos by Melvyn Calderon)

CSO: 4200/704

PHILIPPINES

PROVINCIAL CIVIL, MILITARY OFFICIALS QUARREL OVER INSURGENCY

Quezon City VERITAS in English 17 Feb 85 p 15

[Article by Depthnews: "Mt. Province--Quarrel Over Peace and Order"]

[Text]

MUNICIPAL officials and those from the military are quarrelling over actual peace and order conditions in Bontoc Mt. Province with the former charging the latter with exaggerating the situation.

The military version is that 50 villages of the province have already been infiltrated by subversives operating in the Cordilleras with 30 others under threat.

Not so, claimed the mayors and other town officials. They maintain that the situation is not that alarming although some acknowledge that certain villages have been made "transit" points by armed groups believed to be members of the New People's Army (NPA).

The mayors also strongly object to the military picturing their province as an "NPA stronghold." They said they are in a better position to assess actual peace and order conditions being "closer to the people."

The quarrel started last December when mayors of the 10 municipalities making up the province and officials of the 144 villages or barangays were assembled by the military in this provincial capital for the usual year-end assessment of peace and order conditions.

Lt. Col. Arturo Lomibao, intelligence officer of the Ilocos Regional Unified Command, told the municipal executives that military investigation found that residents of some villages in the province "are NPA sympathizers."

The officer specifically mentioned the towns of Besao, Sadanga and Sagada. He added that the municipalities of Barlig, Natonin and Paracelis are still without "NPA taint."

Col. Lomibao also claimed that subversive infiltration of Mt. Province started in 1972 when two small armed groups based in Isabela province succeeded in

establishing contacts in villages of Bauko, Sabangan and Tadian towns while en route to Ifugao province.

On the regional basis, the intelligence officer, who said he survived an NPA ambush in Pactual, Bauko, this province, last 1972 when still a second lieutenant, warned that the NPA is expanding its presence.

He recalled that in 1979, the NPA only had about three per cent support from the villages in the region. The officer claimed such support has since increased as denoted by the frequency of en-

counters between government troops and subversive elements.

The Cordillera provinces are described by Col. Lomibao as having become an NPA "breeding ground" which prompted the military to step up its anti-insurgency campaign, particularly in Abra and Kalinga-Apaya.

He said latest intelligence gathered by the military tended to show that subversive elements operating in the two Cordillera provinces are presently suffering from logistical problems, specially in food supplies explaining why they are trying to expand their foothold in Mt. Province.

Col. Lomibao referred to captured NPA documents which indicated that there is a plan to link the town of Tadian to Ilocos Sur and Bauko and Sabangan to Ifugao province this year or 1986 at the latest.

Such a plan is part of the strategy to encircle urban centers by controlling the country side or rural areas, he explained.

He added that should such a plan succeed, the result would be that routes from this province, Ilocos Sur and Ifugao leading to Baguio City would be under the control of the NPA making travel on such roads "highly dangerous."

CSO: 4200/699

PHILIPPINES

FOREIGN INVESTMENTS DOWN, LOCAL INVESTMENT UP

Manila PHILIPPINES DAILY EXPRESS in English 16 Feb 85 p 18

[Article by Ellen Samaniego]

[Text]

FOREIGN investments in domestic stock corporations and partnerships dropped by 65.7 percent last month from P49.1 million in January 1984 to only P6.3 million, the Securities and Exchange Commission (SEC) reported yesterday.

The decline was, however, compensated by the P287-million fresh capital infusion by local investors in 419 new domestic stock corporations registered during the month, which was four times bigger than the P61.5-million fresh investments recorded in the same period last year.

Additional capital in existing companies during the month also dropped by 2.7 percent from P336.9 million to P327.7 million, the SEC noted.

Business dissolutions and the decrease in capital took out of the system a total of P329.9 million or higher than last year's level of P64.2 million.

On a net basis, total investments last January dropped by 33.5 percent to P221.8 million from P334.1 million January last year.

DURING the month, the SEC registered 612 new entities, of which 326 were domestic stock corporations, 93 were partnerships and 193 were domestic stock corporations.

This brought the total number

of entities registered by the commission to 168,408 entities as of the end of the month consisting of 128,131 corporations and 40,277 partnerships.

The SEC traced the rise in fresh investments to the establishment of 21 domestic stock firms with initial capital of P1 million and above, amounting to P244.2 million. Nine of these firms have paid-up capital of P25 million each.

On the other hand, the SEC said that the slump in foreign investments during the month was due to the slackening of foreign interest in existing domestic stock corporations, where the bulk of foreign investments normally went.

THE SEC said that no foreign corporation was registered to do business in the country last month while three entities with foreign equity amounting to P328,000 ceased operations.

Foreign participation was notable in 44 new joint ventures registered during the month, led by the Japanese with P2.3 million or 50 percent of the total foreign investments.

As of January, the total number of foreign corporations stood at 908 with the revocation of licenses of 107 foreign firms registered with the SEC. The regional headquarters of multinational companies, meanwhile, totalled 302 from 341 following the SEC's cancellation of 39 permits.

PHILIPPINES

ARTICLES CONTRAST GAINS, WEAKNESSES IN BANKING INDUSTRY

22 Percent Gains Reported

Manila BULLETIN TODAY in English 17 Feb 85 p 23

[Text]

The combined resources of the country's commercial banking system grew at a fairly high rate of 22.22 percent, to reach a new level of P303.74 billion last year inspite of the very adverse environment brought about by economic difficulties and the confidence crisis that shook the system in the third quarter.

Based on the tabulation of the individual statements of condition published by each commercial bank, it was gathered that the resources of the system expanded by P55.31 billion in absolute amounts.

The Central Bank, in an earlier tabulation, placed total assets of the system at the end of 1984 at P291.86 billion, reflecting a growth rate of 20.4 percent over the combined assets at the end of the previous year.

The discrepancy is explained by the fact that the CB figures

took into account some adjustments to reflect certain transactions of foreign banks with their head offices under the accounts "Due from Head Office" and "Due to Head Office."

The private commercial banking system, made up of 28 banks, registered combined resources of P167.15 billion at the end of the year, reflecting an expansion of P32.5 billion or 24.14 percent.

The branches of four foreign banks, on the other hand, reported a combined asset figure of P46.82 billion, reflecting an increase of P6.3 billion during the year.

Government banks, consisting of the Philippine National Bank and the Phil. Veterans Bank, reported combined resources of P87.19 billion for a net increase of P16.4 billion.

Among the private commercial banks, Metro Bank, BPI (un-

consolidated), United Coconut Planters Bank, Far East Bank and PCIB were the top five in terms of assets. All of them reported total assets in excess of ₱10 billion.

Metrobank and BPI were almost neck and neck in terms of gains in resources with each of them posting an increase of ₱3.6 billion. But FEBTC reported the highest expansion in resources during the year with a gain of ₱4.5 billion.

At least five banks — Family, PBCom, Philbanking, Producer, and Pilipinas — reported declines in resources.

In terms of deposits, the top five biggest banks were also the top gainers, gaining as much as over ₱13 billion during the year. Six banks suffered deposit losses; namely: Allied, Republic, Interbank, Family, Philbank, Producer, and Pilipinas.

Producer lost during the year some ₱1 billion in deposits. By the end of 1984, total deposit liabilities of this bank stood at

₱375 million.

The entire private domestic banking system gained a total of ₱20 billion in incremental deposits in 1984 as against a ₱1 billion decline registered by the four foreign banks on account of a ₱1.85 billion loss suffered by Citibank, and a similar ₱1.7 billion loss in deposits experienced by the Philippine National Bank.

Most of the increase of ₱32.5 billion in resources of private banks were accounted for mainly by the gains in deposit liabilities.

In terms of liquidity ratios, the top 10 banks in terms of liquid assets divided by total liabilities were the following: IBAA, Security, Citytrust, Equitable, Prudential, Solid, FEBTC, Philtrust, UCPB, and BPI.

Measured by the other ratio of liquid assets divided by total assets, the top 10 banks were the following: IBAA, Security, Citytrust, Prudential, Equitable, Solid, FEBTC, BPI, Metrobank, and PBCom.

Weaknesses, Encroaching Government Viewed

Quezon City VERITAS in English 17 Feb 85 pp 16, 17

[Article by Rene Soliman: "Banking Takes a Beating"--"Slowly--but surely--government has taken over the country's banking sector"]

[Text] Back in the Middle Ages, when life--and the economy--were relatively simple, gold was first used as a means of payment. As trade expanded and business boomed, people began feeling uneasy about leaving their growing stock of gold at home, so off they went to the nearest neighborhood goldsmith to "enbanc" or deposit their excess gold for safekeeping.

The goldsmith, of course, was only too happy with such an arrangement--he was making a tidy profit after all. The depositor left his gold for safekeeping, was given a receipt, later surrendered that receipt, paid a small fee and got back his gold. More importantly, however, the goldsmith soon observed that not all depositors would come to his storeroom everyday to withdraw their gold. Seeing that he had in his coffers an idle reserve of capital which could be made available to other people who had more immediate need of it, he began to lend this out to traders, merchants and artisans, in the process filling a vital need in the growing economy. Thus, in this humble way were the seeds of banking and finance sown.

Life may have gotten a lot more harried and confusing and the economy more complex and sophisticated than the days of serfs and goldsmiths but the banks have remained where they have always been--right at the heart of a nation's economy. The allegory is more than apt: the banking and financial system is indeed extremely vital to an economy's health, being the organ that generates, pumps and circulates the money and credit needed for the production and distribution of goods and services.

No wonder, then, that in the "terminally ill" Philippine economy of the 1980s, the banks were the first to give out. When the renegade financier Dewey Dee fled the country in January 1981 with P635 million worth of unpaid debts, he left behind in his wake the shattered corpses of some of the country's largest and heretofore sturdiest financial conglomerates--Bancom, Atrium Capital, APCOR and Interbank, among countless others. The situation has not changed appreciably since Dewey Dee's celebrated default; in fact, it has grown even much worse.

"The paramount issue facing banks right now is that the economy is still in crisis and, therefore, so is the financial system since it necessarily reflects what is going on in the economy," says Jesus P. Estanislao, president of Associated Bank, and chairman of the Council of Financial Associations (COFA), the umbrella group of all financial institutions in the country. "Thus, the (critical question) before the financial system is: What can it do in order to strengthen itself and get itself out of the crisis?"

The question is so simple and obvious one wonders why it is being asked at all. It is no easy task, however, and the answers do not come so easily. "I guess we are in a confused state right now," says Corazon S. de la Paz, president of the Financial Executives Institute of the Philippines (FINEX), the elite club that groups the country's top corporate financial executives together. She traces this "state of flux" to the panoply of rules and regulations emanating from the fiscal and monetary authorities, with no clear policy direction discernible.

In particular, FINEX has decried the steadily growing role of government-controlled "private" commercial banks in the financial system. These erstwhile private banks--namely, Associated Bank, Combank, Interbank, Pilipinas Bank and Union Bank--were rescued and then taken over by various government institutions in the aftermath of the 1981 financial crisis. Now, however, the pendulum has swung to the other extreme--the struggling, hard-pressed private

banks cannot but envy these state-owned banks for being pampered with such amenities as ready access to cheap government funds and preferential credit facilities.

"It is killing private initiative," warns de la Paz, a well-known and respected CPA along Makati's financial row. The glaring mismatch is clearly seen in terms of statistics. Since 1981, the government has, through these banks plus the regular state banks such as PNB, controlled nearly half of the resources of the entire commercial banking system. Independent researchers Hugh Patrick and Honorata Moreno have explored an even more expanded government role in banking through the term "political banks," so-called by virtue of their special relationship with the administration. With the "political banks" (numbering eight) thrown in, the government now owns or controls well over half (about 55%) of the commercial banking system's assets.

"The government will have to get out of private commercial banking--that principle should be made clear," declares Estanislao. He has no illusions about it even though the very bank he heads is propped up by government funds. One of the country's top economists, Estanislao was hand-picked from the widely respected private think-tank CRC in 1982 to manage the ailing Associated Bank, then just taken over by DBP. Now, after two years at the helm, he feels that things have turned around and it is time to move on to a different phase. "Yes, the government will have to sell its stakes in Associated Bank, he states and urges other state banks to do the same.

The important consideration in such a turn-over to the private sector, Estanislao cautions, is that the principle of privatization "should be made operative and effective under realistic terms and conditions." He clarifies: "It is easy to say, "We would like to sell (the state banks)--but only after 20 years and at a price so high that nobody can afford it. The principle is there but it is not very relevant." The banker's admonition is not at all surprising: Both President Marcos and Premier Virata have, on more than one occasion, invited the private sector to buy state-managed firms yet so far nothing concrete has happened.

Because of their size, prestige and aura, the commercial banks naturally create the most stir and hog the biggest headlines whenever a bank run or some such financial crisis hits the system. But precisely because of their larger asset base and diversity of depositors, commercial banks are better equipped to absorb the shock of such a dislocation than their smaller colleagues in the financial system. The ones who bear the brunt of a major financial crisis, such as the ones that broke out in 1981 and 1983, are ironically the smallest members of the system--the finance companies and the rural banks.

"Right now, it's survival mode for us," says corporate lawyer Rodolfo I. Publico, president of the Philippine Association of Finance Companies, Inc. (PAFCI) and secretary-general of COFA. "We are simply concentrating on keeping our heads above water." Last year alone, at least 100 finance companies were "delisted" by the Securities and Exchange Commission--meaning they closed shop. The vast majority of these, according to Publico, just chose not to continue operating, simply because they had nothing left to do--there was no business.

The finance companies are indeed the most severely hit financial institutions in our crisis economy and this is directly traceable to the peculiar and highly volatile nature of their business, which is consumer finance. "The finance companies are the most vulnerable to an economic recession because they deal with the ultimate consumer," explains Publico. "If the consumer has no money, then we have no business." He cites the tragedy of the automotive industry whose ancillary sub-industry, auto financing, is the finance companies' traditional bread-and-butter.

"The prohibitive car prices have priced the middle class, the natural market of finance companies, out of the picture. There is simply no demand now for financing brand-new cars. So we are now resorting to crisis measures such as financing second-hand cars and repairs of old cars — things we never thought of doing before," laments Publico.

In the face of such seemingly insurmountable difficulties, Publico retains an ambivalent attitude toward the future. "The financial system is in transition right now," he muses, adding that he believes the new rules being drafted by the SEC and the Central Bank to regulate finance companies will be the linchpin for his industry's recovery. He remains bullish on the prospects.

Since 1969, when finance companies were placed under the jurisdiction of the SEC, the industry has always had a free rein in its financing activities and business boomed correspondingly. But with the onset of hard times in the 1980s, debts began to pile up, defaults mounted and heavily-indebted financiers made the practice of fleeing the country a national past-time.

Thus, it was not surprising that the proposed rules released by the SEC late last year were without question the toughest in any financial field and if adopted, would make finance companies the most regulated firms in the financial system. Publico pleads his case: "While we agree with the thrust of the rules requiring higher capitalization, some regulations are just too restrictive and, if not moderated, will result in the passing away of finance companies."

For the rural banks, on the other hand, the concern is not merely over-regulation; the issue boils down to the very basis and rationale of the rural banking system. In 1951, P.A. 720 authorized the creation of rural banks primarily to service the needs of a very vital sector of our agricultural economy — the small farmers and entrepreneurs. The rural banks were therefore tasked with the special mission of providing the rural communities, the backbone of the economy, accessible credit facilities on easy terms in order to encourage productive activity.

But in 1980, as part of a wholesale restructuring of the financial system, expanded commercial banking (or more popularly, universal banking) was instituted to serve as the vehicle for both countryside and industrial development. Specialization was discouraged and "bigness," "efficiency" and "economics of scale" became the operative words. The philosophy behind the reforms was this — the larger the bank, the more efficient it becomes. The small but highly grassroots-oriented rural banks were deemed to be too specialized and were now directed toward a more macro outlook, which meant leaving behind the small farmers who were usually high credit risks and jacking up their lending rates to market-determined levels.

"The questions which are being raised by the rural banks now are: Are we still needed? Are we now expected to be like other big banks whose main concern is profitability over and above social responsibility?" asks lawyer Taib M. Dipatuan, president of the Rural Bankers Association of the

Philippines.

Universal banking, it seems, has already sounded the death knell for the rural banking system. From a high of 1,034 rural banks in 1981, the number has dwindled to 940 last year, many of them swallowed up by the unibanks. But, although they still comprise the most numerous sector of the financial system, the rural banks' resources are among the lowest among banking institutions. As of October 1984, combined assets of the rural banks amounted to only P8.9 billion, hardly three per cent of the banking system. In contrast, the commercial banks, numbering just 34, controlled over 70 per cent of the system's assets.

It is in catering to the needs of its natural market, however, that rural banks have felt the weight of the big banks. In 1980, at the onset of unibanking, the rural banks granted low-cost loans to some 825,000 small farmers. Two years later, only 775,000 farmers (down by more than 50,000) were able to avail of rural bank loans, and at an interest burden so heavy (24 per cent p.a. vs. 12 per cent previously) that most of them could not repay. "From the point of view of credit allocation and lending rates, the unibanking concept has adversely affected the continuous flow of easy-term credit to the small farmers, the great bulk of our clientele," says Dipatuan, a Lanao-based banker.

While such structural flaws no doubt merit immediate attention, they are taking a back seat to the more pressing concerns of the moment, particularly the unprecedentedly high interest regime being pursued by the Central Bank. The major monetary tool employed by the CB to straighten out the economy — high-yielding public securities known as the "Jobo bills" — has indeed sparked a lot of controversy.

"It really depends on what view you take (of the Jobo bills)," says Estanislao. "If you're looking at it from the short term, then it's very bad; if you're looking at it from the medium term, you realize that it is something that

has been made necessary," he adds.

Such dichotomy was readily seen in the way the different sectors of society reacted to the issuance of the Jobo bills. Investors and savers generally welcomed the high interest rates that they got for their money and investments in financial assets rose tremendously. On the other hand, borrowers, who were mostly businessmen and manufacturers, decried the prohibitive rates (40-50 per cent p.a.) charged on their loans which banks merely passed on. The result: while there has been a modest decline in inflation, the gripping recession has tightened further as the bills have diverted much-needed funds out of production.

"It's a double-edged sword," sighs Publico. Despite its dual nature, the Jobo bills have won grudging respect from the banking community. "In a period of uncertainty, many investors would like to place their funds in something stable and liquid," says de la Paz. "We're beginning to see some of the beneficial effects of the Jobo bills," observes Estanislao. "(The CB) is now in a better position to control money supply and they have been able to bring down the foreign exchange rate," he notes.

Still, it's far from being a honeymoon relationship, however, between the CB and the banking system, as the tragic experience of Banco Filipino well illustrates. In a lightning move last month, the CB suddenly closed down the nation's largest savings bank after months of bickerings over its financial condition. "The psychological impact of such a move at this time would be tremendous," says Publico, referring to the on-going negotiations with the country's foreign creditors. "We are being closely watched by our creditors and so the Monetary Board must have studied (BF's case) very carefully before it made this decision," says de la Paz.

Ultimately, in spite of all the external factors involved in such a vital and intermediary industry as

banking, the banks themselves will sooner or later have to stand up, look at 'itself' straight in the mirror - and change. "We just do not have discipline," laments de la Paz. Estanislao is more precise: "The banking system will have to discipline itself - that is its most serious responsibility. Banks have to realize that they cannot be run like family corporations anymore. We cannot operate as though the rules have not changed - they have changed because the environment has changed."

It is an age-old problem. Banking may have gone a long way from the days of the goldsmiths, but so too has the rest of the world.

CSO: 4200/700

PHILIPPINES

WEEKLY ANALYZES PLIGHT OF WORKERS IN FORECLOSED FIRMS

Quezon City VERITAS in English 17 Feb 85 p 12

[Article by Gigi S. Oyog]

[Text]

LOSING their jobs can literally cause penury for most workers. They might, mercifully, find employment elsewhere, if they are lucky. If they are not, then they join the growing ranks of the unemployed.

Some, however, lose their jobs through foreclosures but not without first putting up a fight for what is rightfully due them, even if it means getting involved in a protracted tussle with government agencies. Workers of Lirag Textile Mills, Inc. (LTMI) and Delta Motors Corp. (DMC) whose assets had been mortgaged to and subsequently foreclosed by the Development Bank of the Philippines (DBP) and the Philippine National Bank (PNB), respectively, exemplify two typical cases.

Each of these two groups of workers are claiming unpaid back wages, separation and other salaries running into millions of pesos. And since their companies have been foreclosed, they have turned to the mortgage (DBP and PNB) for settlement of their claims.

That the LTMI owes its workers, there can be no question. In a decision handed down on July 30, 1982, by the National Labor Relations Commission (NLRC) over a case filed by the workers against LTMI, it directed the LTMI to pay its workers ₱6,292,380.

The NLRC also issued a writ of execution on April 15, 1983

directing its sheriff to collect from the LTMI the said amount in cash or in immovable properties.

According to the report prepared by the sheriff, he tried to implement the order on June 8, 1984 but could not collect the amount from LTMI. According to him, the security guards he met at the premises informed him that the properties had already been foreclosed by DBP on April 15, 1983. In the auction sale of LTMI, DBP was declared the highest bidder. But since it was the mortgages, it did not pay in cash. Instead, DBP's bid partially satisfied the mortgage obligations of LTMI.

In a letter addressed to the DBP chairman, the sheriff requested that the ₱6 million representing laborers' claims be remitted to his office. According to the sheriff's same report, the DBP denied the request. In its response, the DBP pointed out the fact that the sheriff was directed to collect from the LTMI and not the DBP.

THE Delta Motors workers and the PNB are caught in a similar dilemma. The DMC workers are claiming that their former employers owe its 2,000 workers some ₱20 million. In this case, the NLRC also issued a writ of execution requiring Delta Motors to pay its workers.

According to the DMC workers, the foreclosure of DMC by

PNB on June 1984 shows that DMC could not have paid its debt to the workers. Now, the workers have turned to PNB to help settle their claims. In fact, they have been picketing the PNB head office in Escolta since Nov. 1984, daily since Feb. 1985.

According to Joel Martinez, president of the DMC workers' union, PNB has told them that in the absence of a judicial order requiring PNB to pay, it therefore only has a moral, not legal, obligation to pay.

Out of these two separate cases still pending before the NLRC is born this issue: Shall the workers' claims be satisfied from out of the foreclosed assets ahead of the mortgagee's claims?

Atty. Pedro Torrabago, lawyer for LTMI workers, cites Article 110 of the Labor Code. It says in part that unpaid wages shall be paid in full before other creditors may establish any claims to a share in the assets of the employer.

Atty. Potenciano Flores, lawyer for DMC workers, adds on Art. 2242 of the Civil Code. Essentially, Art. 2242 states that settlement of laborers' claims is preferred over settlement of other mortgage credits.

DBP says it is now up to the courts to decide. On the other hand, PNB, according to Atty. Flores, will make known its stand whether to pay or not, in its next scheduled hearing.

But both DBP and PNB are in a quandary of their own. According to Atty. Amadeo Gallardo of DBP, the government bank is in "financial difficulties." Andres Castillo, Jr., assistant executive officer for special projects, says it also has to consider its creditors who lent DBP the money to lend to companies like LTMI. Moreover, Castillo says that the assets foreclosed have not satisfied fully the mortgage credits of LTMI which still has a deficiency claim of at least P200 million.

According to Flores, the PNB had admitted the financial bind it is in one of its meetings with the laborers.

Some observers have also noted an underlying question confronting both DBP and PNB. A decision by the courts upholding the laborers' claims might set a precedent in which case DBP and PNB might have to face an onrush of workers from the other companies that had been foreclosed.

One other option open to both groups of protagonists is the early sale of the companies so that the new owners may begin operations anew and hopefully, rehire the workers who had been dislodged by the foreclosure. Both DBP and PNB, however, have yet to find interested buyers. As Joel Martinez asks, "*Handa naman kaming makipag-usap. Pero kung aabutin sila ng lima o anim na taon, paano kami makagpaghihintay?*"

CSO: 4200/703

PHILIPPINES

CENTRAL BANK USES SHORT-TERM MEASURES TO REDUCE LIQUIDITY

HK300854 Manila BUSINESS DAY in English 29 Mar 85 p 2

[Article by Rigoberto D. Tiglao]

[Text] To meet the International Monetary Fund's (IMF) first quarter reserve money level target, the Central Bank [CB] in the past two weeks has resorted to extremely short-term measures to mop up liquidity.

It has stopped using Treasury and CB bills as its main tools in retrieving money from the banks and has instead stepped up its reverse repurchase operations as well as its participation in the interbank call market.

In contrast to the T-bills, which allow the CB to freeze the bank's funds for at least 35 days (the shortest maturity offered by these IOU's), the money siphoned off through the reverse repurchase agreements and through direct borrowings from banks can be held by the CB for only a day or up to nine days at the most.

The past, both instruments were actually used almost solely to enable banks to meet the legal reserve requirements on a daily basis. A reverse repurchase transaction involves the sale of government securities by the CB with a simultaneous commitment to buy back the securities at some future date, ranging from a day to at most nine days. The interbank call market, on other, are solely for overnight funds.

CB sources disclosed that the CB, at least in the last two weeks, has offered interest rates for its reverse repurchase contracts which were higher than those for the Treasury and CB bills. For example, they noted, rates on reverse repurchase contracts were quoted at 34 percent while those for the 35-day T-bills were offered at only 32.5 percent.

The CB move has, however, slowed down the new sales of T-bills. One bank, for instance, last week redeemed P700,000 worth of maturing T-bills bought new bills amounting to only P300,000. The difference reportedly was used so it could enter into reverse repurchase contracts with the CB with maturities of nine days.

The sources pointed out that the CB's reliance on these short-term measures is reflected in the fact that while rates for T-bills, for the 35-day IOU's for instance, have inched up from the month-ago level of 29.25 percent to 32.5 percent, a continuous increase in rates for the T-bills has not been maintained. This is in contrast to what the CB had done last year when it jacked up rates for the T-bills to as much as 43 percent to mop up liquidity and convince the IMF then to extend the standy credit facility. The sources also said that, contrary to an earlier report, the Monetary Board had not pushed through with an earlier plan to increase the amount of T-bills the CB could sell from its present P21.8-billion ceiling.

The sources noted that the CB move last week to borrow overnight and weekly funds from the commercial banks in order to cut down the reserve money level actually triggered off the escalation in the interbank call loan rates to a high of 60 percent last week. When bankers got wind of the CB's direct borrowings from a few banks, they jacked up their rates for interbank call loans to take advantage of the CB drive to cut down liquidity and comply with the IMF target.

Bankers said there could be several reasons why the CB has resorted to these extremely short-term measures to cut down the reserve money. First, the move may reflect the monetary authorities' view that while there should be a looser money situation to prompt some growth in the country's economic production, the IMF target must strictly be complied with.

This could be due either to an IMF position that the P31-billion target should be strictly met or to monetary authorities' view that the target should be complied with, at least "technically," to strengthen the government's position when it bargains for less austere targets for the rest of the standby arrangement period. The targets will only be "technically" complied with since the funds siphoned off through the reverse repurchase contracts and direct borrowings from banks are immediately released back to the system because of these arrangement's extremely short maturities. For instance, right after the 10-day period--the five business days before March 31 plus the five business days after--during which the reserve money level should average P31 billion, the CB may just not renew the reverse repurchase contracts or the interbank loans it borrowed, which would mean that the money siphoned off would be immediately released after the IMF target is met.

The CB move would also indicate that while it intends to satisfy the IMF's reserve money target, it wants to maintain commercial interest rates at roughly the 35 percent level--the level it has succeeded in driving down the rates in the past several months. The overnight and weekly interest rates that would be driven up through the reverse repurchase contracts and the interbank call loan market will not immediately affect the rates of commercial loans which usually have 30 up to 90-day maturities. If instead, the CB had opted to use the T-bills and the CB bill to siphon off liquidity, it would have had to raise its own lending rates. This would, as it had done last year, hike commercial lending rates.

A third reason for the CB move would be to prevent a situation in which the massive issuances of T-bills--reportedly amounting to P20 billion--would result in an extremely high debt service burden for the national government to a level that would endanger the other IMF targets involving the budget deficit. Increased sales of CB bills (the CB lately has stopped sales of the 1- to 29-day bills and has slowed down renewals of the maturing CB bills), on the other hand, risks compliance with inflation targets since interest on the CB bills represents new money being created and released to the system, unlike the interest on T-bills which ultimately represent taxpayers' money.

CSO: 4200/715

PHILIPPINES

ARABIC CLASSES BEING IN MANDUG BARANGAY SCHOOLS

Davao City THE MINDANAO DAILY MIRROR in English 16 Feb 85 p 7

[Article by Tessie F. Basilio]

[Text]

Yesterday, February 14, marked the formal launching of the "Integration of Arabic in Pilot Elementary and Secondary Schools in Mandug Elementary School, Buhangin District, this City. This was done during the Valentine's Day celebration of the school to make it significant.

After a thorough study on the importance of Arabic in certain communities, the Davao City division picked out Mandug Elementary School as one of the pilot elementary schools for this purpose, since ours is a community with Muslims. To gain a harmonious and communicate in the best possible manner with our brother Muslims, Arabic is just right to be integrated in the classes.

Present during the affair were: Gabriel Modequillo, General Education Supervisor I in Science Triponio Salvatera, General Education Supervisor I in P.E. Mrs. Dominadora Javiero Non-Formal Education Coordinator and Mrs. Ruth C. Pafra, Head Teacher V of San Pedro Elementary School.

CSO: 4200/703

PHILIPPINES

BRIEFS

JOINT EXERCISES SCHEDULED FOR APRIL--Dinglayan Bay in Aurora Province will be the site of this year's Balikatan [Burden-Sharing] war exercises. The annual maneuvers take place April 29 to May 10. One thousand (two hundred) Filipino troops and four thousand personnel of the U.S. Armed Forces will participate in the 12-day exercises. The aim is to improve the capability of American and Philippine forces in defending the country from attack. The highlight of Balikatan will be the amphibious landing by the troops on the beach at Dinglayan Bay. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 29 Mar 85]

FURTHER IMF LOAN AWAITED--The Philippines will have to wait until the end of April before it can avail itself of the second installment of its IMF loan. The country must await the result of a study made by an IMF technical team on how the Philippines is carrying out its economic recovery program. One thing the IMF team studied is how the Philippines is controlling reserve money. Prime Minister Cesar Virata admitted there have been difficulties keeping reserve money within the agreed limit. [Begin Virata recording] We are awaiting the result of the first quarter review, waiting to see if we comply with the performance criteria at the end of this month, and one difficult criteria to comply with is the so-called reserve fund figure, which is the creation of new money by the Central Bank. This arises out of lending by the Central Bank and packages of foreign exchange by the Central Bank. [end recording] [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 30 Mar 85]

CSO: 4200/715

THAILAND

USSR TO BUY TAPIOCA

BK280119 Bangkok BANGKOK POST in English 28 Mar 85 p 3

[Text] Thailand and the Soviet Union signed a trade contract for 500,000 tons of tapioca hard pellets, the first sale of tapioca to the USSR, while the Soviets have indicated that they may want to purchase an additional two million tons.

A ceremony was held last night at the Oriental Hotel where the contract was jointly signed by the Soviet Deputy Foreign Affairs Minister M.S. Kapitsa, Yuriy P. Mikhailov, the USSR's trade commissioner in Thailand, Vietcheslav F. Konovalav, chief of the import section of the trade representation of the USSR in Thailand, Agriculture Minister Narong Wongwan, Commerce Minister Koson Krairoek, Bangkok Bank Chairman Dr Amnuai Wirawan and Paul Mary Suwith, president of the UMC International Corp.

It was the first order of 500,000 tons of tapioca hard pellets by the V/O "Exportkhleb" to be supplied by the UMC International Corp, a marketing company of the Metro Group. The order is worth about 600 million baht.

Mr Narong said that the contract for tapioca is the result of his trip to the USSR in 1981, when he asked that Soviet farmers try to mix their animal feed with tapioca, of which 2,700 tons were shipped to the Soviet Union for a two-year trial, which had proved effective.

He said that the first 12,000 tons had already left with shipment of the rest expected to be completed within three months.

Mr Kapitsa said that this year was the fifteenth anniversary of the signing of trade agreements between the USSR and Thailand, stressing that trade is a peaceful activity, and like a bridge, connected countries and people, irrespective of geographical distances.

He said that Soviet farmers are getting to know the use of tapioca and a lot more would be needed in the future. He offered Thailand to purchase Russian farming and other machinery or even gas and oil exploration systems and hoped that trade between Thailand and the USSR would continue and grow.

"If you buy more, we would buy more," he said.

Mr Koson said that political doctrine was no obstruction to trade and Mr Pual voiced the belief that the Soviets will increase the import of tapioca constantly as more farms get familiar with its use.

He added that the price given to the Soviets was about the same as the EC pays.

The Soviet trade commissioner to Thailand, Mikhailov said that trade between Thailand and the USSR has increased enormously during the last six years and imports now included maize, tapioca, flour, sugar and garments.

CSO: 4200/719

THAILAND

EDITORIAL ON KAPITSA VISIT TO INDONESIA

BK010139 Bangkok THE NATION REVIEW in English 1 Apr 85 p 4

[Editorial: "Kapitsa Changes Tune To Win Indonesian Sympathy"]

[Text] Soviet Deputy Foreign Minister Mikhail Kapitsa was in Bangkok about two weeks this month to attend the 40th ESCAP session. Before that he met with Thai Government officials, notably with Foreign Minister Sitthi Sawetsila, during which he rejected the request that the Soviet Union stop arming the Vietnamese forces who were at that time rampaging over Western Kampuchea and making incursions at will into Thailand.

He left Bangkok for Jakarta on Saturday and immediately on arrival in Indonesia he changed his tune. He said that the Soviet Union is prepared to be a guarantor for peace in Southeast Asia. It sounds ominously like the Soviet Union being the guarantor for peace in Eastern Europe. Naturally, he did not mean any such thing but it was only one way of avoiding public Soviet justification of Vietnamese invasion and occupation of Kampuchea. He also said that the Soviet Union is willing to be "one of the guarantors for peace, harmony and stability in the region."

Two points arise from this. The words "peace, harmony and stability" are almost synonymous with the ZOPFAN [Zone of Peace, Freedom, and Neutrality] concept of "peace, freedom and neutrality." ZOPFAN is a long-standing ASEAN concept which was pushed through by the late Malaysian Prime Minister Abdul Razak and, to become operative, it required that it be guaranteed by the Soviet Union, United States and China. Kapitsa now says (without actually referring to ZOPFAN) that Soviet Union is willing to become one [preceding word in italics] of the guarantors without mentioning who else is to be the other guarantor or guarantors.

What Kapitsa actually means is that ASEAN and Indochina should sit down and talk so that "confrontation can be turned into agreement." But he does not say what exactly he means by "Indochina." Is he referring to the "Indochina" of three states under the overlordship of Hanoi or is he referring to Indochina one of whose three states (Kampuchea) is the victim of Vietnam but whose government under President Norodom Sihanouk is recognized by the United Nations? The answer is obvious.

Kapitsa, in all this, has completely ignored that there is a vehicle for discussing Kampuchea and that is the International Conference on Kampuchea which both the Soviet Union and Vietnam refused to attend. But Kapitsa should realize that no solution to the Kampuchean question is possible without China which has invested very heavily in backing the resistance forces as well as in keeping continual pressure on the northern border of Vietnam.

Somehow both the Vietnamese and the Soviet Union think that they can cash in on residual fear which Indonesia may have with regard to China. But what Indonesia has done is to try her best to play the role of interlocutor with Hanoi assigned to her by ASEAN. If, like Vietnam, the Soviet Union tries to isolate Indonesia from the ASEAN position she will not succeed. Kapitsa also visited Australia before he came to Bangkok but unfortunately for him, Australian Foreign Minister Bill Hayden had been to Hanoi just before that and understood the realities of what is happening.

CSO: 4200/719

THAILAND

HISTORICAL THAI-SRV PARALLEL INTERESTS IN PRK SEEN

Bangkok SU ANAKHOT in Thai 14-20 Mar 85 p 9

[Su ANAKHOT Note column by Atsiri Thammachot: "The Vietnamese-Thai War"]

[Text] On Sunday, 24 November 1833, 152 years ago, there was an earthquake in Bangkok. The Dynastic Chronicles, Bangkok Era, Third Reign, note that "that was when the friendly relations between Vietnam and Bangkok [Thailand] came to an end."

The troops of Chaophraya Bodin Decha (Sing Singhaseni) had left the capital the day before the earthquake. This was the first time that the Thai monarchy had decided to go to war against the Vietnamese. Rama III wrote that the "Vietnamese are dishonest. They like to oppress others and think only of exploiting others."

Chaophraya Bodin Decha became the samunaiyok when he was 53 years old and served the monarchy in the capital. After that, he fought in Cambodia and fought the Vietnamese for almost the rest of his life before peace was restored.

Thailand fought Vietnam in both Laos and Cambodia. The war lasted almost 15 years. It was fought to prevent the Vietnamese from swallowing Cambodia.

Thais and Vietnamese both felt that Cambodia and Laos were within their sphere of influence and so they competed to see who would be the "policeman" over these two countries. And so a direct clash was inevitable.

In Cambodia and Laos, whenever there was a conflict within the royal family, one side would turn to Thailand for help while the other would rely on Vietnam.

Comparing this to Cambodia today, Heng Samrin has turned to Vietnam while Sihanouk, Pol Pot and Son Sann are relying on Thailand. And it has reached the point where Thailand and Vietnam are now confronting each other directly.

Chaophraya Bodin Decha fought the Vietnamese for a long time, winning and losing battles in turn. In the end, both sides decided to establish friendly relations. The war was stopped in such a way that neither side would lose face. That is, a neutral government was established in Phnom Penh. This government had to listen to both Thailand and Vietnam. Both Vietnam and Chaophraya Bodin Decha helped form this government.

Vietnam withdrew its troops from the part of Cambodia that it had occupied. Worn out, Chaophraya Bodin returned to Bangkok at the age of 70. Rama III wrote that "He endured great hardships to secure the return of Cambodia. He struggled for 15 long years like a swimmer in the middle of the ocean who could see no land."

The Dynastic Chronicles, Third Reign, provide a historical lesson that clearly shows what position Thailand and Vietnam should take in order to bring an end to the war in Cambodia.

However, because such a long time has passed, the meaning of the historical lesson has been lost. Both Thailand and Vietnam have high-ranking "world policemen" who will not let the war come to an end.

The war is becoming more and more serious. Thailand and Vietnam may confront each other even more directly than at present. There has not yet been an earthquake, and a soldier such as Chaophraya Bodin Decha who is skilled in foreign policy matters has not yet appeared.

11943

CSO: 4207/158

THAILAND

INTERNAL DISPUTE ON CAMBODIA POLICY DISCUSSED

Bangkok SU ANAKHOT in Thai 14-20 Mar 85 pp 10-16

[Article: "Phichit, Chawalit, Athit and Prem Unite to Deal With the Border War"]

[Text] Gen Prem Tinsulanon, the prime minister, was encountering great military, political and economic problems and seemed like a boxer who was about to be knocked out. But just then, the "bell" sounded and saved him. He has regained his strength and is again a unifying force needed by all factions for the survival of the country.

It is true that this "bell" was rung by Vietnam. But it was loud enough to be heard by everyone. Everyday, the newspapers printed headlines about the war coming closer like a huge snake crawling toward us. It seems that the game of "hitting each other" played by Thai politicians dressed in military uniforms has now come to an end.

Thus, there is the welcome news that at present, Lt Gen Phichit Kunlawanit, the commanding general of the First Army Area, Lt Gen Chawalit Yongchayut, the deputy chief of staff of the army, Gen Athit Kamlangek, the RTA CINC and supreme commander, and Gen Prem, the head of the government, have "joined forces" to deal with Vietnam. Previously, there had been many reports of conflicts, or a quiet confrontation, between these men. Analysts think that this will restore unity to the military.

"When the border war became more dangerous, the political and military conflict had to be re-evaluated since this was a major problem that Vietnam could use to its advantage," said an analyst.

Vietnam's Stratagem, War and Psychology

Looking at the actual situation along the border, it is clear that this is a major war. This is the first time that foreign troops have been moved up to the border for the express purpose of infringing on Thai territory. "Prior to this, people thought that Vietnam's only intention was to apply pressure in order to destroy the Khmer coalition. But that is no longer the case. They are not just trying to provoke [us].

Rather, they want to confront Thailand directly. That is the enemy's intention," said an officer who is responsible for things along the border in Surin to SU ANAKHOT.

It is said that because the Hanoi government recently suffered a major political and diplomatic defeat, they have had to put direct pressure on Thailand. Their objective is to force Thailand to negotiate, through Heng Samrin, on this issue. But it is doubtful whether Vietnam's campaign will achieve anything since the Vietnamese troops that crossed the border were pounded by the [Thai] air force and pushed back.

Thus, the reports of disunity in the military and the lack of agreement about the war along the border led Vietnam to take this opportunity to launch a psychological war. If they achieve results, it will be tantamount to prolonging the "internal war" between Thais while simultaneously stepping up the military war.

A detailed report from the Vietnamese embassy stated that secret activities were carried on last week. That is, a public opinion group was formed to have it protest the government's efforts to involve the country more deeply in the border war. At the same time, another report stated that there really is a Thai group that "honestly" feels this way and that this group was not formed by the Vietnamese. This group feels that the more that Thailand does to protect the Khmer coalition, the more problems there will be. Whether Vietnam benefits from this is another matter. There is nothing strange about people opposing the actions of the Ministry of Foreign Affairs on the border issue.

"It's probably not a group within the Ministry of Foreign Affairs. The disagreements are probably within the military. Those who disagree feel that the fighting in Cambodia is a battle between communists and that the Free World should not get involved. They feel that Thailand is being pressured because it has gotten too involved," said a military news source. He expressed his concern about allowing society to split apart and not being able to unify the forces. As for the border problem, he said that we should not act too hastily since that could cause internal political problems. And instead of being a unifying factor, this border campaign could be a divisive issue. Who can know?

However, it is Vietnam that benefits from the lack of unity among Thais on this issue. The news source said that in the near future, certain groups may demonstrate against the Thai minister of foreign affairs, whom they feel is "inviting the enemy into the house." The people at the Vietnamese embassy are very pleased about this public opposition regardless of whether they had a "direct hand" in this.

Thailand's Opposition Resolution, Involved In the Extension Game?

A news source who is close to a political group that opposes what is being done along the border told SU ANAKHOT that "this matter must

be looked at based on the principles. That is, whose problem is this really? We feel that this war is a war between great powers that want to gain supremacy by using Cambodians as pawns. In this conflict, it will be the communists who win, not Thailand."

The same news source said that Thailand's present policy is tied too closely to that of China and the United States and so we are not really our "own person." He feels that the actual government is the Heng Samrin government since it controls the country while the Pol Pot-Teng Sary government is just the "legal" government according to world opinion, which is just a fantasy that has no basis in fact.

"The United Nations does not have the right to interfere with the Heng Samrin government unless it poses a danger to the Cambodian people. The U.N. general session was actually a matter of certain members pulling [others]. The United States, China and ASEAN pulled people to swing the vote. It was not a majority resolution. They were very pleased. But shouldn't they think a little first before getting drawn into a war against Vietnam? What I have said is based on the facts. I am not just trying to sway you," said a military news source who once played a prominent role.

As for Gen Athit, who will have to retire soon unless he is granted an extension, he can't escape being criticized. Even if the border war is dictated from without, it has involved the matter of the extension, too.

The news source said that the worsening border situation will definitely have an important effect on domestic political problems. For example, the images of Gen Athit and Lt Gen Phichit, which had been tarnished, are now becoming brighter again. They are again receiving much attention from "senior" people. In particular, Gen Athit has recently presented the image of a professional soldier by traveling to inspect the troops along the border just like a "powerful prince."

"When the balance of power tilts toward the professional soldiers, Gen Athit's chances of being granted an extension will definitely improve. The green light to granting the extension can be seen all over the city," said the news source.

But there are those who oppose granting this extension. Even Gen Prem, whom most people supported, was criticized when he was granted an extension. And it was this that led to the "Hawaii April" rebellion. Those who do not agree with granting an extension feel that this "tradition" should come to an end with Gen Prem. Thus, the matter of granting an extension to Gen Athit has unavoidably been linked to the border situation.

The news source confirmed that there are certain people who have made preparations to present Gen Prem with evidence showing that the border affair may result in Gen Prem suffering a political defeat and that he should quickly reshuffle the cabinet and find a way to reduce the tension along the border."

It has been confirmed that the activities by power groups in Bangkok at the beginning of last week were aimed at "inducing the military" to come forward and "lose another round" just as happened when the baht was devalued. This is a game that is being played by groups that do not want to see Gen Athit granted an extension. But by chance, the Police Department ordered the head of the Special Branch Division to suppress them and so this plan failed. But rumors are still being spread that Gen Athit will not be granted an extension. Because it is believed that "if there is cooperation among senior people, the benefit from the border situation will go to another group. As for domestic politics, if someone is granted an extension, that is tantamount to granting an extension to others in the military, too," said a military news source frankly.

However, Vietnam is not the only one who benefits from the lack of unity among various Thai factions. Thailand "plays the game" skillfully; this should be kept in mind. That is, Vietnam has invaded Thailand at times when important world figures were visiting Thailand. These include the secretary-general of the United Nations and Mr Li Xiannian from China.

A Compelling Situation, the New Coordinator

It is well known that Gen Athit, Lt Gen Phichit, Gen Prem and Lt Gen Chawalit all have personal experience in the border matter. And they all agree that it is imperative to expel the Vietnamese forces. Thus, since outside "factors" have dictated matters, in order to preserve peace and keep the people from becoming too alarmed, before it becomes too late the main figures, that is, Lt Gen Phichit, Gen Athit, Lt Gen Chawalit and Gen Prem, have opened broad discussions on the border situation.

A news source who has watched matters closely said that Gen Prem realized that unless action was taken, the army and Thai society might split apart. That would mean that Vietnam's hopes concerning Thailand had come true. There have recently been reports that preparations have been made to print documents and attack Thailand's allies. Thus, former warlord Prem asked the other three warlords who play prominent roles to come discuss things with him and other senior officers at a dinner party at his house. This was done in order to present an image of unity and "cut in front of" the enemy. "The extension issue was not discussed. They discussed only the border situation," said a person at Prem's house.

It is said that the new coordinator was Lt Gen Phichit, or "Big' Sua." "Respected people" advised him to heal the wounds. "Since the country is facing such threats, why don't you end your disputes? Are you just going to let the situation deteriorate, absorbed in your struggle for power?" said a person who is close to things in explaining why Lt Gen Phichit had to take the lead in bringing about unity.

Popular Reaction

On 7 March, a group of professors issued a statement condemning the actions of Vietnam, the "invader." They held a meeting at the Faculty of Political Science, Chulalongkorn University, to protest Vietnam's actions. They charged that Vietnam's policy is to occupy Cambodia and pressure more people to flee to Thailand. The fighting will spill over into Thailand, and this will be an obstacle to forging good relations with each other.

"Those countries affected by Vietnam's actions have the right to use every means available to stop these illegal and inhumane actions," said the statement. More than 700 professors signed the protest that was sent to the Communist Party of Vietnam. They called on Vietnam to withdraw its troops from the Thai border and stressed the fact that the Thai people have never wanted to be enemies of the Vietnamese people. "We ask Vietnam to stop those activities that are increasing the tension."

This drew a response from Vietnam. It charged that these scholars were just "tools of the government."

However, the national-level "warlords" had already joined forces in order to oppose the enemy, who is "at the door."

Even though some people feel that this is just a temporary expedient and that the political play will continue, it is good to hear that these people will [stop] "attacking each other," which allowed the enemy to jeer and boldly launch attacks.

Excerpts From the Statement Issued By 700 Intellectuals (data from document)

7 March 1985

1. The war has increased in intensity and poses a threat to the lives and property of Thai citizens. The situation is tense.
2. The fundamental problem is that Vietnam does not respect people's human rights in Cambodia and has intervened using force.

3. The countires affected must protest.
4. The nationalist forces in Cambodia can determine Cambodia's fate better than war.
5. Vietnam should withdraw its forces.
6. If Vietnam continues the invasion, the problems will remain. All sides are asked to stop giving support to Vietnam.
7. Thais are not enemies of the Vietnamese. Thais want to live in peace.

Views of Those Who Are Opposed to the Khmer Coalition (document)

7 March 1985

1. The war in Cambodia is the affair of the socialist countries. Thailand has involved itself in this problem by joining with China and the United States in supporting Pol Pot, Sihanouk and Son Sann. Thailand is not neutral.
2. The actual government is the Heng Samrin government. But Thailand has joined with ASEAN, the United States and China in supporting the Khmer Rouge's claim to be the legal government. This is at odds with the facts.
3. The Khmer Rouge is a barbaric group. Even Sihanouk attacked Thais along the border. Thus, by following China's lead in supporting the Khmer Rouge, Thailand is supporting the wrong group. It is supporting a group of criminals.
4. The resolution of the U.N. general session is just a matter of certain groups pulling others. To be effective, it must be a Security Council resolution. At present, whoever has the most friends gets the most support.
5. Some countries have recognized the Heng Samrin government just as England once recognized Red China, which was done because of England's interests.
6. The United Nations does not have the right to interfere in Cambodia unless there is a Security Council resolution.
7. Thailand should maintain a position of strict neutrality. The refugee camps should be moved 300 km from the Thai border.
8. People should not be allowed to use Thai territory to infiltrate other countries. The Khemr coalition should definitely not be given any support in the form of either men or weapons.

11943

CSO: 4207/158

THAILAND

CHAT THAI DEPUTY LEADER GETS BOMB THREAT

BK280915 Bangkok BANGKOK WORLD in English 28 Mar 85 p 1

[Excerpts] A letter containing a bomb threat was sent to Chat Thai Party deputy leader Maj-Gen Chatchai Chunhawan yesterday afternoon.

The letter, bearing the letterhead of the Office of the Prime Minister, warned Maj-Gen Chatchai not to speak out any more on the earlier grenade attacks on the homes of Chat Thai leader Maj-Gen Praman Adireksan and Chat Thai MP Chaowarin Latthasaksiri.

A police detail has been sent to guard Maj-Gen Chatchai's house in Soi Ratchakhru in Phaya Thai District to provide protection.

The letter said that a third grenade would be directed against Maj-Gen Chatchai if he gave any more interviews on the matter.

Khunying Bunruan Chunhawan, wife of Maj-Gen Chatchai, this morning said that her husband was not worried about the threat because he was confident that he has no enemies.

She said she believed the threat was the result of Maj-Gen Chatchai's recent interview in Nakhon Ratchasima Province in which he said that he knew who masterminded the grenade attacks on the homes of Maj-Gen Praman and MP Chaowarin.

Meanwhile, Special Branch Police Commander Maj-Gen Kasem Saengmit said this morning that he received a report on the incident yesterday afternoon.

He expressed the belief that it might be the work of a third party to foment a conflict between the government and the opposition party.

CSO: 4200/719

THAILAND

GOVERNMENT DENIES INVOLVEMENT IN BOMB THREAT

BK290121 Bangkok BANGKOK POST in English 29 Mar 85 p 1

[Text] The government yesterday denied it had anything to do with a bomb threat against Maj-Gen Chatchai Chunhawan, deputy leader of the opposition Chat Thai Party.

The threat was contained in a letter bearing the letterhead of the prime minister's secretariat office which was received by Maj-Gen Chatchai on Wednesday [27 March].

It warned Maj-Gen Chatchai against making further comments on last week's grenade attacks on the homes of Chat Thai leader Maj-Gen Praman Adireksan and Chat Thai MP Chaowarin Latthasaksiri.

Maj-Gen Chatchai had said earlier that he was willing to talk if the Prime Minister really wanted to know who was behind the attacks.

"It is obvious whoever responsible [as published] for the threat wants people to understand that the letter was sent from the prime minister's office," said government spokesman Trairong Suwanakhiri yesterday.

"No government would do such a thing, especially by using paper with its own letterhead," he added.

Blaming the incident on "anti-democracy elements," he said the government always believed in having an opposition around to check its performance and remind it of the people's needs and grievances.

Mr Trairong also noted that Maj-Gen Chatchai was a "good and well-liked man" who always had constructive remarks about the government's policies.

Maj-Gen Chatchai said yesterday he would seek a meeting with the prime minister to show him the letter and explain what happened.

He said he believed the threat was made by those who wanted to create a rift between the government and the opposition.

Maj-Gen Chatchai added that considering their boldness these mysterious people had to wield quite considerable political influence.

Following the bomb threat, security has been beefed up at Maj-Gen Chatchai's house in Soi Ratchakru off Phanonlaiyothin Road.

Special Branch Police Commander Maj-Gen Kasem Saengmit said yesterday that he had already ordered his men to provide protection for Maj-Gen Chatchai.

CSO: 4200/719

THAILAND

KRIANGSAK TO LEAD MP'S ON TRIP

BK290135 Bangkok THE NATION REVIEW in English 29 Mar 85 p 5

[Text] A group of MP's led by former Prime Minister Gen Kriangsak Chamanan will visit Japan, Taiwan and South Korea next month as part of a Far East trip which will also take them to China and the Soviet Union for talks on Kampuchea.

Suphanburi MP of the Chat Thai Party Praphat Phothasuthon said that the house committee on foreign affairs had received invitations from the five countries to tour them.

He did not say when the house committee group of about 15 members would visit China and the Soviet Union on the second leg of the Far East trip.

The Suphanburi MP said that the team would inform the host countries about the latest border situation, particularly the recent Vietnamese incursions into Thai territory early this month.

The MP's will also seek cooperation from the countries on ways to ease Thailand's burden in housing and feeding the influx of Khmer refugees caused by the Vietnamese offensive against Khmer resistance forces.

The house committee member also said that the Vietnamese intrusions into Thailand were aimed at provoking Thailand into taking retaliatory actions.

"The incursions were obviously deliberate because earlier in February, last year, Vietnamese Prime Minister Pham Van Dong assured the team of MP's that Vietnamese troops would never cross the border into Thai territory," he said.

He said the committee supported diplomatic, rather than military efforts, to settle the problems in Kampuchea.

The committee visited ASEAN countries last September and received pledges from the host countries that they will continue to throw their support behind Thailand on the Kampuchean conflict.

CSO: 4200/719

THAILAND

BRIEFS

BOY RELEASED BY LAO SOLDIERS--Mukdahan--A Thai schoolboy held captive in a Laotian prison for nine days was released yesterday, Deputy Governor Sanan Thanirat said. Mr Sanan also said that three policemen arrested while searching for the boy would be set free by Laotian authorities today. Nopphadon Buasaeng, 15, was arrested on March 20 while rowing a boat in the Mekong River. A day later, three policemen sent out to look for him were also arrested. All four were charged with illegal entry and held for questioning at a prison in Savannakhet Province. Mr Sanan, who went to Savannakhet in the afternoon to escort Nopphadon back to Thailand, said the four Thais were found innocent of charges. [Text] [Bangkok BANGKOK POST in English 30 Mar 85 p 20]

UNDERSTANDING ON F16 WANTED--Air Force Commander-in-Chief ACM [Air Chief Marshal] Praphan Thupatemi yesterday pleaded for understanding from the public for the need to buy F-16 aircraft from the U.S. He said if the air force had been better equipped, the Vietnamese would not have been able to occupy the hills inside Thai territory in Surin early this month. He was referring to three strategic hills which the Vietnamese occupied after intruding into Thailand before they were driven out. "What would we do if the Vietnamese occupied Udon Thani or Ubon Ratchathani?" He asked and added: "Please don't criticize us." [Text] [Bangkok THE NATION REVIEW in English 30 Mar 85 p 3]

TASK FORCE TAKES COMMUNIST CAMPS--Betong, Yala--Government forces yesterday captured three satellite camps of the Communist Party of Malaya (CPM) after a day-long operation in which about 20 guerrillas were believed to be wounded, a senior army official said yesterday. Col Panthep Puwanatnurak, deputy commander of the special task force responsible for the operation, said the camps were in a jungle in Ban Wang Mai of Tambon Aiyaweng. He said the government forces started the assault on the camps with helicopter gunships. He said the ground forces reached the camps in the afternoon and found trails of blood. At least 20 CPM guerrillas were believed wounded in the fighting. Two rangers were also wounded in the fighting after stepping on a booby trap. Four underground tunnels were found in the camps which were deserted by the guerrillas. [Text] [Bangkok THE NATION REVIEW in English 30 Mar 85 p 2]

OPPOSITION CANDIDATE WINS ELECTION--Opposition Chat Thai Party candidate Sarawut Niyomsap yesterday won a landslide victory in the Kakhon Pathom by-election over his only opponent, Cham Ruangrong, of the Social Action Party by a vote of 88,512 to 49,177. The landslide margin of 39,435 votes returns Mr Sarawut to the House of Representatives after his controversial ouster from

the Prachadon Thai Party and a heated poll campaign which developed into a contest between the government and the opposition. Mr Sarawut defeated his opponent in all six districts of the province including Nakhon Chai-si and Samphrn--Mr Chaem's strongholds. [Excerpt] [Bangkok BANGKOK POST in English 2 Apr 85 p 1]

CSO: 4200/719

MILITARY AFFAIRS AND PUBLIC SECURITY

NAVY SAID TO IMPROVE COMBAT READINESS

Hanoi NHAN DAN in Vietnamese 19 Feb 85 p 1

[Article: "Navy Increases Its Combat Readiness"]

[Text] The navy has begun a new training season and has a high degree of combat readiness. Areas A, C, D, and E and groups M26, M25, and M47 are preparing material bases in order to attain good results in training, enforcing discipline, and maintaining combat readiness.

The navy is holding training classes for cadres at all levels and is determined to fulfill its training, discipline forging, and combat readiness missions, firmly grasp specialized professional matters, have a steadfast combat standpoint, and achieve real results.

Groups M70, M71, M61, M62, M25, M28, etc., are preparing study materials and equipment. The military, political, rear services, and technical cadres take the initiative in grasping the situation of the troops' preparations. The unit commanders closely guide and monitor the fulfillment of each cadre's function. The sector cadres on ships and in fleets keep abreast of the training quantities and quality. In the activities of the Party and Youth Union the units stress responsibility toward building and defending the homeland and the good fulfillment of missions that are assigned.

In cooperation with localities in which troops are stationed areas A and C and military engineer group M31 have taken the initiative in discussing with the local administration methods for patrolling, guarding, and maintaining political security and social order and safety. In exercising good troop management the units have strictly maintained the combat alert, guard alert, and duty officer systems, continually inspect all aspects of the units' activities, and have plans for increasing combat readiness and strongly defending the seas and islands of the homeland.

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CSO: 4209/294

MILITARY AFFAIRS AND PUBLIC SECURITY

CAPTURE OF COMMANDO GROUP REPORTED

Hanoi NHAN DAN in Vietnamese 25 Feb 85 p 3

[Article by Do Quang: "Vigilance in Defending the Security of the Homeland: Parcels of Goods From the Sea"]

[Text] When uncle Tam's boat reached the open sea the sun was very hot. When the fifth net full of fish was pulled in everyone was very surprised to see that mixed in with the sardines and anchovies there was a package of goods in a canvas bag as big as four barber's tool boxes. That bag of goods was lined inside with several layers of thick white plastic. The two strongest and most enthusiastic youths on the boat dived into the water and gently disentangled the parcel from the net, then lifted it up to the deck of the boat. The young fishermen and even uncle Tam, the boat's captain, who had many years' experience at sea, thought that the parcel came from a sunken ship or people fleeing by sea to seek some happy life or another. Uncle Tam decided to inspect the parcel to find the truth of the matter. Uncle Tam took a sharp knife and cut through the canvas and three layers of waterproof plastic. A moment later uncle Tam cried out because there were no personal possessions or goods but only hand grenades bearing a Chinese label. Everyone was even more amazed and astonished when they saw that included in the container of hand grenades there were instructions for using the grenades, which had been produced in China only recently (1979), along with pornographic pictures and leaflets which distorted the lines and policies of four party and state and encouraged people to flee their homeland and rebel. There were even pieces of white paper on which there were printed foreign words and the three barred flag of the puppet period. Neither uncle Tam nor his fellow fishermen on the boat could read the foreign words, but they all had the same thought: the three-barred puppet-era flags and the box of grenades bearing Chinese labels certainly indicated collusion and an alliance in opposing our country.

The fishermen continued to cast their net to catch fish. Several hauls later uncle Tam's boat pulled in another bag of goods. It was not as big as the first one but also had an outer layer of canvas and several inner layers of sealed plastic. When it was opened it was found to contain not attack grenades but ammunition for infantry weapons. The cartridge belts, which were neatly arranged and piled on top of one another, were also produced by China. Uncle Tam told the people aboard the boat that there was no longer any doubt about it: those were signs of espionage and commando activity, with assistance from the outside.

It was the middle of the fishing season. Uncle Tam's boat should have gone even farther out to sea, but everyone agreed with him that they should return to the mainland and immediately turn those parcels over to the local authorities, so that the public security police could investigate, understand the situation, and draft a reaction plan.

The parcels of hand grenades and infantry weapon ammunition that had been produced in China were promptly turned over further illuminated the work being done by the coastal defense forces of district T in Minh Hai Province. The day before Mr. Bay, a famous snake catcher in that area, had brought to the public security headquarters a strange bag of rice. He had walked five or six kilometers from K. H. village to inform the district public security police about some grains of rice that had been dropped at the mouth of a stream beside some shrimp shells, which he had found and picked up while hunting snakes. He said that he had never seen that kind of rice. From his snake basket, which contained no snakes, Mr. Bay pulled out several empty meat cans and some filtertip cigarette stubs that were very suspicious. Mr. Bay told the head of the district public security police, "People in this area use only shredded tobacco and are not accustomed to using canned goods. It's certain that these canned goods and cigarettes belonged to commandos and spies who slipped in from the sea to harass us."

Following those discoveries by the people the public security police and the armed forces in the coastal area in district T, Minh Hai Province, coordinated in surrounding and promptly tracking down the commandos who had just penetrated the interior of our country. Beginning with the grains of dropped rice found by the snake hunter Mr. Bay at the mouth of a stream, the public security police and troops followed footprints for several days and found the camp of the commandos in the middle of a thick forest. All of them wore green uniforms tailored in the style of Vietnamese troops. Their weapons, ammunition, backpacks, and even their caps and water canteens, were Chinese. As if knowing that they had been surrounded, as soon as we opened fire many of them threw down their weapons and surrendered. Those who were obstinate and resisted were immediately killed.

Forged identification papers and documents were found on those who were captured, along with some bottles of Chinese malaria medicine and cold medicine. In their backpacks there were found instant rice, canned meat, and dried eel produced in China. There were also leaflets. The words on the leaflets were identical to those crammed into the box of grenades fished up by Uncle Tam. The canned meat and instant rice were of the same kinds vigilantly picked up by Mr. Bay at the mouth of a stream while hunting snakes and turned over to the public security police. After each of the prisoners was interrogated it was learned that some of them had been paratroops and commandos during the puppet period. One had been a thief who had been in and out of jail, had escaped from a reform camp, had been pursued, and became a commando who served as a lackey for the enemy. They all declared that been meticulously trained to gather information and establish contact with many different kinds of people, in order to monitor and seek to understand all aspect of the people's lives and society. They were trained in methods of spreading disinformation and ridiculous rumors in crowded places, such as cafes, railroad

stations, and markets, in order to cause disorder. At times and at places they played various roles to slip past the check points of the public security police or troops. All of their equipment, including the Vietnam Bank notes they used for expense money, had been supplied by China. Before setting out to penetrate Vietnamese territory, each of them was given a false name and their backgrounds were covered up. Photographs were taken of them which were included with their pledges to work for China. If one of them had reneged, gone over to the enemy, or surrendered someone from the "organization" would have paid them a visit. They admitted that when infiltrating into the interior of Vietnam from the sea they had to change boats and appearances several times. They played the role of fishermen, then pretended to be troops on leave hitching a ride with the people, then played the role of waterborn merchants. Even so, although when they started out there were more than 40 of them their numbers gradually dwindled because they were discovered by the people. Finally, when they reached the desolate jungle area where "mosquitos sound like flutes and there are so many leeches they can be compared to noodles," there were only 28 of them left.

The best thing was to surrender and confess their crimes!

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CSO: 4209/297

MILITARY AFFAIRS AND PUBLIC SECURITY

FALSE GOODS SOLD AT HANOI MARKET

Hanoi NHAN DAN in Vietnamese 25 Feb 85 p 3

[Article by Manh Quoc: "False Goods at the Dong Xuan Market"]

[Text] During the past several years the public security station at the Dong Xuan market, which is under the Dong Xuan subward public security organ in Hoan Kiem Ward, has displayed an "exhibit" of false goods at the entrance to the market so that customers would not purchase such goods. We looked into that "exhibit" case and saw nearly 20 products, including such things as ginseng and young antler, tonics, opium, watches, wild honey, cloth, wool, batteries, bicycle tires and sprocket wheels, beer, alcohol, MSG, cigarettes, soap, and even modern medicines. If one would just glance at those items and not read the warning "The people should be vigilant: these are false goods sold by dishonest people at the market!" few people would be able to distinguish them from the real products.

Let us have a look at the Song Cau, Sa Pa, Dien Bien, and Du Lich cigarettes. The stamps and labels were 100 percent genuine. But their contents were false and consisted of moldy yellow or yellow brown tobacco fibers mixed in with papaya leaves, dyed paper, and corn silk. Lime liquer, orange liquer, and coffee liquer -- especially coffee liquer -- the bottles, labels, stoppers, and control stamps were all genuine items from the Hanoi Alcohol Plant, but the contents were false. The same is true with regard to Hanoi and Truc Bach beer. The bottles and labels were from the brewery but the beer was bitter and sour. Then there were "Rabbit" batteries. Superficially everything from the casings to the labels were from the Van Dien battery factory, but they were filled with white sand. There were bottles of B1 and B12 vitamins and tetracycline which were very attractively wrapped. In fact, they consisted of starch and tapioca powder mixed with bitter substances and dyed yellow or red to deceive the people. Then there were bicycle sprocket wheels. The sprocket wheel casings bore foreign labels and labels of Machine Tool Manufacturing Factory No 1, but the bearings inside were made of lead and when light pressure was applied they were crushed. The pedals were made of stainless steel died to resemble chrome. Even worse are the wool skeens and the knitted sweaters. Dishonest people unravel torn bags and scraps of cloth, wash them, then dye and steam the threads, roll them into skeens, knit them into sweaters, and have their lackeys sell them at the market. Then there are tonics, all of which are made from water buffalo and cattle hide, dog bones, scrap rubber, etc.

The terrible harm done to consumers who mistakenly buy such false goods is incalculable. In Dong Xuan subward a woman nearly lost her child because she gave it false tetracycline and injected false B12. One person paid 400 dong for a bicycle tire which fell apart after half a day. Another person purchased false beer and alcohol and served them to guests. All had to be given emergency treatment. Because they have purchased false goods, some consumers are even suspicious of some goods with state commerce labels.

According to the comrades in charge of the public security station at the Dong Xuan market and Dong Xuan subward, between 200 and 250 people make their living by selling false goods in the Dong Xuan-Bac Qua market area. Nearly all of those people are from other places, especially Ha Son Binh, Ha Bac, Hai Hung, V. Q. village (in Thanh Tri District outside Hanoi), and a few other wards in the city. Most of them are healthy and able to work but are unwilling to work, but have gone to the market every day to earn their livings by plying such "inhumane" trades for such a long time that the Dong Xuan public security personnel know their names, faces, and backgrounds, and have a nearly complete book of photographs so that the people can point them out when they buy false goods and help the public security police quickly track down the guilty person. Nearly all of those people who specialize in selling false goods have been arrested and brought to court; their goods have been confiscated and they have been sentenced to do public welfare work or punished administratively.

Many who have been arrested have declared that every day thousands of people visit the Dong Xuan and Bac Qua markets every day. The sellers of false goods target their marketing above all toward visitors from distant provinces and rural people who have come to Hanoi to go shopping. They have formed groups specializing in sprocket wheels, wool, bicycle tires, batteries, beer and alcohol, etc., to earn illegal livings. In each group there are people who look out for public security, commercial, or tax personnel to avoid being discovered and arrested.

In producing and selling false goods they market their goods seasonally. At Tet, on holidays, and very cold days they display false beer, whiskey, cloth, wool, cigarettes, and tea at the market. Bicycle innertubes and tires, flashlight batteries, MSG, and modern medicines are "marketed" the year round.

When we looked through the daily log book of the Dong Xuan market public security station we saw that several years ago an average of several dozen people a day bought false goods and reported to the public security police. That number has gradually declined and now there are only a few cases a day. Those statistics certainly are not complete, for a considerable number of people who unknowingly purchase false goods or buy them because of the low prices do not know how to report to the public security police, or think that if false goods are bought in such a crowded market the public security police could never could never find the sellers. (It should be said that when people who buy false goods report, thanks to their descriptions and picking out photographs the policemen at the Dong Xuan market public security station locate and arrest 90 percent of the sellers).

The selling of false goods at the Dong Xuan and Bac Qua markets had declined recently and there are fewer and fewer incidents every day. That has been due

to the cooperation and efforts of the public security, commercial, and financial personnel and the management board of the Dong Xuan market. But every time we walk through the market we still see familiar faces in the false sprocket wheel, wool, cloth, and cigarette groups, along with the middlemen, following behind people carrying false goods and hanging around the state stores and cooperatives, using all kinds of deceptive tricks and schemes to sell to customers. Although the public security station of Dong Xuan market has an "exhibit" of false goods and the loudspeaker of the market management board occasionally reminds the people shopping at the market to "be on guard against buying false products," people are victimized every day. Some people pull 7,000 or 8,000 dong from their pockets to purchase dozens of false sprocket wheels, false sweaters, false watches, false MSG, etc.

A question is posed: what can be done to completely eliminate such false products?

The captain who headed the subward public security organ and the comrades in charge of the Dong Xuan market public security station replied that even if the public security, commercial, and financial personnel make even greater efforts only the surface can be skimmed; the important matter is eliminating the problem at the root, i.e. at the places where the false goods are produced.

Here are a few examples: the public security police went to V. Q. village in Thanh Tri District to search the house of a person who was caught red-handed selling false batteries. Many families there were not supportive of the people carrying out their mission, for the simple reason that those families also produced false batteries. In every house there were battery casings, labels, briquette coal, lump coal, salt, etc. It may be said that V. Q. village was a nest producing false batteries to sell on the market. I don't know what steps the local authorities have taken to resolve that problem but it still exists.

When they searched the house of Mrs. Tuyet in Hang Buom subward the public security police confiscated eight kgs of Song Cau cigarette packages and 130 kgs of incense and raw materials to produce false cigarettes. Then there were labels of the Hanoi Alcohol Plant, Truc Bach and Hanoi beer labels, sprocket wheel casings produced at Machine Tool manufacturing Plant No 1, etc., found their way to the outside and fell into the hands of the people producing false goods, who used them to deceive consumers. Clearly, our factories and production installations have not yet done a good job of managing raw materials, materials, and labels. The false goods such people produce are taken to be sold at the Dong Xuan market and other markets in Hanoi, passing by many check points at entrances into the city without being discovered. If the traffic control and cargo control stations do a good job of inspecting and controlling they are certain to contribute considerably to stopping negative phenomena and restrict the selling of false goods on the market.

The broad popular masses desire that the leadership echelons of the municipality, the wards, the districts, and the subwards should organize specialized units with sufficient strength and authority to completely end the production of false goods and contribute to building a wholesome society and pleasing the consumers.

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CSO: 4209/297

INTERNATIONAL RELATIONS, TRADE AND AID

HAI PHONG EXPANDS COOPERATION WITH KOMPONG SOM

Hanoi NHAN DAN in Vietnamese 23 Feb 85 p 2

[Article by Minh Son: "Hai Phong and Kompong Som Expand Cooperation"]

[Text] Immediately after the Vietnam-Cambodia Treaty of Friendship and Cooperation was signed, all factories, construction sites, and schools in Hai Phong enthusiastically participated in "Vietnam-Cambodia Friendship Month." A Vietnam-Cambodia Friendship Association was set up and a number of enterprises, hospitals, and schools organized Vietnam-Cambodia Friendship chapters. The port city of Hai Phong formed a relationship with the port city of Kompong Som in Cambodia.

The Vietnamese volunteer troops, many of them from Hai Phong, have stood shoulder-to-shoulder with the people of Kompong Som in eliminating the Pol Pot remnant troops. Immediately after Cambodia was liberated, responding to a request by Cambodia the Hai Phong Municipal Party Committee and People's Committee sent outstanding people to help our friends resume operations at that port. An important port in Cambodia rapidly returned to normal operations. Since then, ships have continually arrived at or left its piers. Ocean-going Vietnamese ships, such as the Li Giang, Tra Ly, Thach Han, etc., promptly connected Hai Phong with Kompong Som. Comrade Dinh Van Tin, formerly captain of the ship Tra Ly and now captain of a large ship of our Maritime Transportation Corporation, said that the officers and sailors aboard his ship are very proud because they have many times taken food, medicine, clothing, and aid goods from our people, including the people of Hai Phong, to the port of Kompong Som. They have twice celebrated Tet while en route to Cambodia.

Since the beginning of 1983 cooperation between Hai Phong and Kompong Som has become deeper and the two sides have helped each other develop their strengths in order to increase the rate of economic-social construction of both sides. A combined group of specialists from Hai Phong, totalling more than 50 cadres who are experienced in organizing economic-social management, are working shoulder-to-shoulder with the people of Kompong Som in the great undertaking of building a new way of life in that port city.

In order to provide water to plant 14,000 hectares of cultivated land, the surveying and designing of an irrigation system consisting of reservoirs, irrigation canals, and drainage canals have been completed. While waiting to build new projects the Vietnamese specialists, along with the cadres and people

of Cambodia, have spent tens of thousands of work days in building and strengthening dams and reservoirs. A sea dike 18.5 kilometers long, two meters high, two meters broad at the top, and seven meters broad at the base prevents salt water from flooding the fields. Because highest priority was given to resolving the water conservancy problem, last year, despite severe weather (drought, waterlogging, and cattle disease) the city's average rice yield was good. Some places attained yields of 3.5 to 4 tons per hectare.

Hai Phong and Kompong Som are gradually expanding cooperation in many spheres of production, especially in the processing industry and the consumer goods industry. Wood Enterprise 6-1 of the Hai Phong Industrial Service sent a number of skilled workers to Cambodia to organize carpentry classes. The Hai Phong industrial sector has also manufactured a number of machines to send to Cambodia for use in lumbering, wood processing, lime baking, brick making, or the production of such essential tools as plows, harrows, knives, hoes, and shovels.

On the basis of its strengths regarding the sea, forests, and convenient travel, Kompong Som has provided Hai Phong with animal food and wood to produce consumer goods and goods for export.

Recently a delegation of the Hai Phong party committee, people's committee, and Fatherland Front Committee led by comrade Doan Duy Thanh, a member of the Party Central Committee and Secretary of the Municipal Party Committee, visited Kompong Som and discussed with our Cambodian friends measures for further expanding cooperation between the two port cities.

The people of Kompong Som highly value the contributions of the Hai Phong specialists to the great undertaking of building a new life in their city. They are happy that Hai Phong is advancing with certainty, dynamism, and creativity, and are united with Hai Phong in the face of difficulties and challenges. Comrade Nguyen Nguyen, deputy head of the delegation of Hai Phong specialists in Kompong Som, said that the day after Hai Phong was damaged by a tornado, comrade Prachom, deputy chairman in charge of economics at Kompong Som, met with the leaders of our delegation of specialists to be briefed on the situation, sent condolences to the victims, and recommended that the specialists return to Hai Phong on leave, with expenses paid by Cambodia. A few days later, in accordance with the aspirations of tens of thousands of cadres, party members, and masses in Kompong Som contributed money, grain, and medicine to help the affected Vietnamese families. One woman said to our cadres, "Please convey our friendship gifts to the people of Hai Phong. The sentiment between the peoples of Cambodia and Vietnam is a brotherly sentiment."

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CSO: 4209/295

INTERNATIONAL RELATIONS, TRADE AND AID

BINH TRI THIEN EXPORTS 256 TONS OF MARITIME PRODUCTS

Hanoi NHAN DAN in Vietnamese 25 Feb 85 pp 1, 4

[Article: "Binh Tri Thien Aquatic Products Sector Exports 256 Tons of Dried and Frozen Maritime Products"]

[Text] Because it took the initiative in "balancing the four sources of capabilities," especially with regard to exports and imports, in 1984 the Binh Tri Thien aquatic products sector had 600 additional tons of oil, 60 tons of nets, 80 22 or 23 horsepower marine engines, and many spare parts and materials. Although the state supplied only 80 percent of the volume of principal materials it supplied the previous year, Binh Tri Thien met most of the needs of its fishing sector. The Aquatic Products Service decentralized all aspects of the fishing trade to the 10 districts, cities, and municipalities. Those units formed alliances and joint operations with other units in and outside the province and took the initiative in flexibly coordinating production, commerce, purchasing, and processing in order to stimulate the development of fishing.

In 1984 Binh Tri Thien caught 20,190 tons of marine products, which was 101 percent of the plan norm and an increase of 14 percent over 1983. There were many new transformations in purchasing, such as providing the fishermen with some capital, materials (oil and nets), grain, etc., in advance, so it was possible to control output.

The sector as a whole purchased 6,100 tons of aquatic products, which was 102 percent of the plan norm and an increase of 4 percent over 1983. The sector set aside valuable maritime products for export, including 214 tons of frozen products (river and marsh shrimp, lobster, and squid) and 42 tons of dried products (dried squid, white shrimp, and shark fins), a two-fold increase over 1983, and earned foreign exchange in order to import a number of materials for fishing. In 1985 Binh Tri Thien is endeavoring to catch 22,000 tons of maritime products, purchase 9,000 tons, and export 500 tons of frozen products, 150 tons of dry products, and 100 tons of seaweed.

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CSO: 4209/297

ECONOMIC PLANNING, TRADE AND FINANCE

READER URGES IMPROVED SAVINGS ACCOUNT TRANSACTIONS

Hanoi NHAN DAN in Vietnamese 19 Feb 85 p 2

[Letters From Readers column: "Methods of Making and Withdrawing Savings Deposits Should Be in Accord With Social Psychology; Money From Selling State Goods Used for Personal Profit"]

[Text] During the recent Tet period decorative mandarin orange trees, peach blossoms, etc., were sold in the villages of Quang An, Nhat Tan, etc., in Tu Liem District, Hanoi. Many families took in as much as 50,000 to 80,000 dong. The average income was 20,000 to 30,000 dong.

There is still much money in the vegetable growing areas outside the city. However, few families make savings deposits. Some families hide wads of money for 2 or 3 straight years, waiting to build a brick house.

The governmental echelons and the mass associations have not yet, along with the banking organ, widely propagandized and proselytized to convince people with much money to make deposits in savings accounts. The banking sector must go all-out to gain experience and propose methods of making and withdrawing savings deposits that are more in accord with social psychology.

Hoang Thi Nho (Hanoi)

In Cuu Long Province the commercial units are still lax in enforcing discipline. Many district commercial corporations often use money obtained by selling goods to engage in commercial activities outside the plan in order to earn personal profits. Some units use money from the sale of goods to cover all of their commercial activities.

The commercial corporation of Tieu Can District signed contracts with an aquatic products corporation in the province, with a coconut oil enterprise in the city of Tra Vinh, and with an economic unit in Ho Chi Minh City, to which it sold more than 40 million dong worth of goods without settling accounts through the bank. In other words, tens of millions of dong slipped outside the scope of control of the responsible echelons and did not come under the supervision of the bank. Such "free" commercial activities are increasing and are exerting a unfavorable effect on the market and prices.

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CSO: 4209/294

Nguyen Thuc (Cuu Long)

ECONOMIC PLANNING, TRADE AND FINANCE

QUANG NAM-DA NANG, HAI PHONG STRENGTHEN COMMERCIAL MANAGEMENT

Hanoi NHAN DAN in Vietnamese 25 Feb 85 pp 1, 4

[Article: "Manage and Transform the Market: Quang Nam-Da Nang Strongly Affects Production To Control Goods at the Source; Hai Phong Strengthens Price Management in Commercial Operations"]

[Text] Quang Nam-Da Nang has made many efforts to strongly affect production and animal husbandry in order to create additional sources of goods and control goods at the source. The province's commercial sector signed two-way economic contracts with 233 agricultural cooperatives, and sent hundreds of millions of dong worth of materials and goods to the basic level to contribute to developing production. Thus in 1984 it was able to purchase nearly 500 million dong worth of agricultural products and foodstuffs, nearly 2.5 times the total in 1983. More than 9,400 tons of pork were purchased (by both state commerce and marketing cooperatives), 1.5 times the total in 1983, which met the annual pork needs and overcame the interseasonal shortages, especially after Tet. The purchasing of small industry and handicrafts goods by the locality also increased by 50 percent over 1983. Local goods accounted for nearly half of the four sources of goods and goods from the central echelon declined from 55.6 percent in 1980 to 27.5 percent in 1983, and 22.77 percent in 1984.

Retail sales and service activities were further improved, which ensured the supplying of sufficient rationed and unrationed goods to the cadres, workers, civil servants, and members of the armed forces. The commercial sector also sold additional goods at guidance prices and expanded retail selling at commercial prices, maintained relatively stable prices, did a better job of serving the working people, and nearly doubled the total volume of retail sales in 1984. Sales of the principal goods surpassed the plan norms. Many precincts and districts have special stores to sell goods at supply prices to retired cadres and disabled veterans and serve seriously disabled veterans at home. With regard to the armed forces, in addition to ensuring the prompt supplying of goods in quantities according to plan, Quang Nam-Da Nang also supplied the northern border provinces with 12 essential goods valued at more than 37 million dong. It gradually paid attention to transforming, building, managing, and further strengthening socialist commerce. In 1984, socialist commerce accounted for 45 percent of the goods sold on the local market (in 1983 it accounted for 39 percent).

The commercial sector is applying many specific measures to control money and goods, such as preparing materials, signing two-way contracts to purchase agricultural products and foodstuffs. It clearly defined the responsibility and right of commercial autonomy of the basic level units and shifted over strongly to socialist commercial accounting. The purchase prices were set in the spirit of "buying at the right price to control goods and selling at the right price to control money" (except for goods the prices of which were guided by the Provincial People's Committee). In selling the sector concentrated on improving the three aspects -- wholesaling, retailing, and service activities -- in order to attain in 1985 a total value of purchases and sales more than double that of 1984. It purchased 70 to 75 percent of the agricultural products and foodstuffs sold on the local market.

For a long time now, on the Hai Phong market there has existed the phenomenon of many goods with identical specifications, quality, styles, and utilization value selling at different prices. Those price disparities between one place and another at the same time and at locations sometimes only a few dozen meters apart not only cause dissatisfaction on the part of consumers but create shortcomings in management so that the sales clerks can collude with others or take advantage of price disparities. Private merchants also take advantage of that situation to make profits.

In order to overcome that situation, recently Hai Phong created a mechanism and stipulated common principles with regard to unifying the prices of a number of commercial goods. In addition to implementing the guidance prices stipulated by the Council of Ministers, the State Price Commission, and the Ministry of Home Trade with regard to goods included in the plan, the Municipal People's Committee stipulated common retail prices for goods produced by the municipality and the sectors. The municipality specified hundreds of goods to be sold at unified prices in relatively large numbers to many commercial installations, to be sold on a regular basis. When setting the prices of retail goods for all commercial installations the Municipal People's Committee made the state guidance prices the basis, while at the same time researching the market prices, with the requirement of selling goods at prices 5 to 10 percent lower than on the unorganized market. That had the effect of controlling and struggling to keep down market prices and of opposing speculation and blackmarketing.

The municipality began to implement a number of measures to strengthen price management, such as the Price Commission, along with the sectors, drafting an operational plan and price apparatus, from the municipal level down to the sectors, precincts, and districts, continually working with the sectors in inspecting the commercial bases and promptly dealing with arbitrary price setting, which adversely influences the psychology of consumers and market management.

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ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN EDITORIAL URGES DISTRICT DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 25 Feb 85 pp 1, 4

[Editorial: "Promote District Development"]

[Text] Developing and strengthening the district echelon, an important revolutionary undertaking and a strategically important content of the process of gradually advancing agriculture to large-scale socialist production, is undergoing new transformation.

Nearly 300 districts have reviewed and supplemented their over-all plans and have essentially completed the drafting of agriculture-forestry-fishing subplans and have drafted some guidelines regarding subplans for industry and for the other economic-social sectors. In the process of drafting and supplementing subplans, in general the districts have taken the initiative in doing the work themselves, the provinces concentrate on guidance, and a number of central sectors create conditions for providing real guidance and assistance. The decentralization of management and the assignment of installations to districts in a number of provinces and municipalities have been carried out simultaneously with the drafting of plans, with more meticulous preparation and the implementation of complete decentralization, with regard to capital, materials, and cadres. Problems regarding the management mechanism and the drafting of specific plans and policies have been resolved, which has created favorable conditions for the districts and the basic level to advance to becoming the masters with regard to labor, land, sectors and trades, and the existing material-technical bases, and truly begin production and commerce in the new direction. The districts are taking the initiative in advancing by means of their own strengths, promoting the production of agriculture and the processing industry in the sphere of the district, finding key crops and livestock in order to rapidly increase exports, promoting the controlling of goods and money in order to increase budgetary income and create initial capital, and expanding the forms of alliances and joint operations. They provide 30 to 40 percent of their needs with regard to materials and goods. The state production and technical service installations in the districts have entered into cooperative and alliance relationships in production and in serving production and life, and have along with the basic level created a complete economic-technical network and changed over to socialist accounting and commerce.

Developing districts and strengthening the district echelon have not been carried out uniformly and the initiative and creativity of the localities and consciousness of collective mastership of the working people. A number of party committee echelons, local governmental administrations, and central sectors do not yet clearly understand the key role played by the work of building and strengthening the district echelon and do not yet fully understand that the content of building and strengthening the district echelon is building an agricultural-industrial or agricultural-forestry-fishing-industrial economic structure that is appropriate to each area, or that the development of districts must be comprehensive and tied in to the basic level. The quality of plans is not yet high. After plans are reviewed and supplemented adequate attention is not paid to distributing labor between the lowlands and the mountain region and among the various areas in the provinces. Industrial, small industry, handicrafts, and distribution-circulation plans include only some guidelines and calculations in a number of commercial and service networks. Planning forces are still deficient and weak, especially in the mountainous provinces and districts and in Nam Bo. In the process of decentralization and the assignment of installations to districts, some localities and sectors have not yet promptly resolved the difficulties and problems that have arisen. The specific regulations regarding budget regulation, alliance and joint operations among the districts within and without provinces, and the drafting of plans at the basic level and on the basis of the four sources of capabilities are not yet complete and strict. Not much has been done to tie in the districts with the basic level to form economic-technical and production-commercial networks. In many districts difficulties are still being encountered in planning, designing, and building district industry, promoting exports, controlling goods and money, mastering the market, and creating internal capital to build material-technical bases to serve production and life.

The resolution of the Seventh Plenum of the Party Central Committee pointed out that "The echelons and sectors must more fully understand the extremely important role and strategic significance of district development in the over-all enterprise of building socialism and defending the socialist homeland. Between now and 1990 we must endeavor to comprehensively develop more than 400 districts, especially the key districts and the districts with important positions with economics and national defense." First of all it is necessary to concentrate on guiding the districts in drafting and supplementing over-all economic-social plans and the specific subplans of the sectors and bases in districts by the end of 1985. The 85 key districts of the provinces and municipalities must complete their over-all plans and sector subplans in the second quarter of this year. In drafting over-all plans it is necessary to pay special attention to reviewing the subplans of the agriculture, forestry, and fishing sectors so that they can be appropriate to the characteristics and strengths of each area, while at the same time urging on the subplans of the industrial sector, the distribution-circulation sector, and the other sectors. In planning it is necessary to pay attention to quality, as manifested in specific economic effectiveness. In drafting and implementing plans it is necessary to concentrate on comprehensively developing agriculture, especially food crops, tie in the development of agriculture with the development of forestry, fishing, and processing industry, to meet the many needs of the lives

of the people and rapidly increase the output of commodities, especially agricultural products for export and processed agricultural products, expand the sectors and trades in the collective production units and among cooperative member families, and build material-technical bases by using internal capital and rationally distributing labor. In order to create conditions for the district echelon to reorganize production it is necessary to promptly complete the decentralization of management and assign all bases to the districts. After the decentralization and the assignment of bases the districts must immediately begin to organize economic alliances and joint operations in many different forms among the state, collective, and family sectors, between localities, and with the economic-technical sectors of the central echelon. Decentralization must be accompanied by determining authority and responsibility and rationally resolving the question of rights between the upper echelon and the lower echelon and among the state, the collectives, and the workers, achieving real effectiveness, and avoid prolonging tasks or working superficially.

Building rich, strong districts must be based on establishing and consolidating the new socialist production relations. It is necessary to firmly grasp and implement well the goal of completing the cooperativization of agriculture in Nam Bo in 1985, principally by means of the form of production collectives. In addition to transforming the production relations it is necessary to pay attention to rectifying the organization of production in the cooperatives and production collectives, strengthen the collective economy, and help the family economy develop in the right direction. It is necessary to extensively apply and perfect the product contracting mechanism, improve the guidance and management ability of the management boards of cooperatives, production units, and specialized units, consolidate and develop the state production and technical service bases in the district and tie them in to the basic level, and expand the forms of economic alliances and joint operations in order to attain increasingly higher economic effectiveness. In addition to promoting socialist transformation it is necessary to promote distribution and circulation, and transform and master the district market. On the basis of completing plans, decentralization, and turning over installations to the basic level and the districts it is necessary to renovate planning, draft planning at the basic level and on the basis of the four capabilities and create conditions for the districts and bases to draft plans with a positive, creative spirit in order to exploit all economic development potential. The central sectors and the provinces must guide the economic development of the sectors in the sphere of the districts and take steps to ensure the prompt balancing of materials and goods with the missions assigned by legal plans.

The actual situation of district development in our country has affirmed that the district development policy is correct, the contents and methods are becoming increasingly clear, and the leadership, guidance, and implementation organization of the echelons and sectors, especially districts, are increasingly effective. It is necessary to firmly grasp the contents of district development, ensure that the district and basic levels are truly the masters of production, distribution, and circulation, and do a good job of organizing the people's living conditions, combine economic construction with the development of district military and security fortresses, and create political, economic, security-national defense, and cultural-social strength

for the districts. Matters of decisive importance are organizing an apparatus and corps of cadres who are capable and virtuous to operate in the districts, bringing into play the collective mastership right of the working people, launching a seething emulation movement between the bases and districts, between the districts, echelons, and sectors, and creating combined strength in order to build rich and strong districts uniformly throughout the nation.

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ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN EDITORIAL URGES IMPROVED STATE ECONOMIC UNITS

Hanoi NHAN DAN in Vietnamese 20 Feb 85 pp 1, 4

[Editorial: "Improve the Economic Effectiveness of the State Economic Units"]

[Text] With the complete implementation of the resolutions of the Party Central Committee, especially resolutions 6 and 7 regarding the improvement of the management mechanism and changing over from subsidized management to economic accounting and socialist commerce, industrial production has begun to undergo a good transformation. By means of income from state operations, the turning over of profits, and the payment of basic depletion allowances to the state budget, etc., many central and local state economic units of the light industry, food industry, chemicals, posts and telecommunications, and foreign trade sectors have clearly expressed the dynamism and creativity of the basic level in exercising autonomy with regard to capital, making plans their central concern, doing a good job of exploiting the four sources of capabilities, and producing much material wealth for society. More and more units, such as a number of installations producing alcohol, beer, cigarettes, canned fruit, textiles, lightbulbs, thermos bottles, manufactured consumer goods, etc.

The managerial effectiveness of the new mechanism has been gradually manifested, but the results attained have not been uniform. In each basic production unit, corporation, and general corporation there are still many deficiencies and difficulties, such as not finding products to produce on a stable basis, production and marketing not being tied in together, accounting not being in correct accordance with the specified system, production costs being high, and product quality being low. Noteworthy is the fact that financial discipline is still lax, the effectiveness of capital is still low, and many material norms are inappropriate. Those weaknesses and deficiencies not only limit the results of social production but also reduce budgetary income.

Our country has more than 12,000 central and local state economic units. The state has invested a rather large amount of material bases and capital in those units, which play a leading role in the state economy, are the principal sources of accumulation for the budget, and must operate profitably. After economic accounting has been adopted and the state supplies initial capital in the form of fixed property and circulating capital, the enterprise is responsible for ensuring that in the production process that capital will not be eroded but will steadily grow and meet the needs of expanded reproduction.

On the basis of the existing sources of capital and materials, in order to operate profitably a matter of foremost importance is that each enterprise must rapidly apply the new management structure, rationally reorganize production, fully utilize equipment, calculate the effectiveness of each dong of capital invested, and continually increase labor productivity and improve product quality. Lowering production costs and economizing on circulating expenses and management expenses are norms with an important significance. In the immediate future it is necessary to account for all necessary production expenses in production costs and encourage efforts to increase productivity, quality, and effectiveness, while at the same time struggling to overcome negative phenomena and the relaxation of management. The managerial effectiveness of each production and commercial unit is manifested above all in rapidly increasing labor productivity on the basis of fully applying the economic management policies and systems and contributing much to the state budget. The Council of Ministers resolution on improving the management of state industry must be strictly implemented from the central level down to the basic level. The sector must quickly concretize the stipulations of the resolution in the form of effective guidance documents. Outmoded policies and systems must be promptly supplemented and amended.

Economic accounting is a socialist management method that is fully applied with regard to all production and commercial installations. Economic accounting must be implemented on the basis of economic-technical norms with a compulsory nature. Each sector and enterprise is responsible for reviewing and recalculating the system of norms now in effect, finding out what factors have caused expenses to surpass the norms, and taking steps to amend and supplement them so that they can be appropriate to the economic policies and the other economic levers. There must be specific economic norms for each product, group of products, and technical phases of the final product, for that is the basis on which to carry out accounting and evaluate the management quality of cadres, and struggle against mistakes and accounting according to the market mechanism. Doing a good job of setting economic norms on the basis of drafting stable product plans is an important content of managing production and maintaining labor discipline in each sector and basic unit.

With regard to all production and commercial units, continual inspection and analysis of economic activities are very necessary. Timely, correct, and strict economy will help the basic level clearly realize the good points and deficiencies in management and in production guidance, find the latent capabilities still lurking in each person, link, and element in the unit, organize effective mobilization, exploitation, and utilization, and produce more wealth for society, while at the same time earning higher profits.

For the sake of developing production, and for the sake of the living standards of the workers, each central and local state economic unit must be exemplary in production, renovate the management mechanism, and operate profitably.

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The South has completed the surveying and registration of land and the classification of rice land in more than 20 provinces, municipalities, and special zones. The surveying and registration of land and the classification of rice land in the Mekong Delta have been completed. The surveying and registration of land and the classification of rice land in the provinces of Tien Giang and Hau Giang have been completed. The surveying and registration of land and the classification of rice land in the provinces of Long An, Ben Tre, Cuu Long, Dong Thap, and Kien Giang have been completed in a number of districts. The surveying and registration of land and the classification of rice land in the provinces in eastern Nam Bo, in the central coastal area and in the Central Highlands have been carried out slowly.

SOUTH NEARS COMPLETION OF LAND CLASSIFICATION

Hanoi: NHAN DAN in Vietnamese 19 Feb 85 p 1

[VNA News Release: "The South Completes Classification of 64 Percent of the Land"]

[Text] According to the Land Management General Department, by the end of last year more than 20 provinces, municipalities, and special zones in the south had surveyed 38.67 percent, registered 29.19 percent, and classified 64 percent of the total natural land area. In the Mekong Delta, 86.88 percent of the land has been surveyed, 82.16 percent has been registered, and 50 percent has been classified.

The provinces of Tien Giang and Hau Giang, and Ho Chi Minh City, have essentially completed the surveying and registration of land and the classification of rice land. The provinces of Long An, Ben Tre, Cuu Long, Dong Thap, and Kien Giang have essentially completed surveying and registration and have completed land classification in a number of districts. The provinces in eastern Nam Bo, in the central coastal area and in the Central Highlands have carried out surveying, registration, and land classification slowly.

In general the work of surveying, registering, and classifying land in the south has been carried out slowly in comparison to the requirements. A number of localities have not strictly observed the technical regulations and rules from the beginning of the surveying work. During the recent period a number of localities have failed to closely manage the land, especially rice land. Between 1978 and 1984, in the six provinces of Long An, Tien Giang, Ben Tre, Cuu Long, Kien Giang, and Hau Giang alone rice land declined by more than 124,000 hectares.

During the coming period the southern localities must take specific steps to promote the surveying of land in order to serve all-round agricultural development.

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NHAN DAN EDITORIAL URGES PERFECTING OF AGRICULTURAL CONTRACTING

Hanoi NHAN DAN in Vietnamese 19 Feb 85 pp 1, 4

[Editorial: "Perfect Output Contracting in Agriculture"]

[Text] It has been 4 years since the beginning of the mass movement and the directive of the Secretariat of the Party Central Committee to broadly implement the contracting out of output to groups and individual workers. Beginning with subsidiary food crops and rice, the contracting out of output has been a concrete, creative economic form that has been expanded to the crops and livestock in the collective and state production sectors and applied in different ways, depending on the managerial object. The actual situation of production during the past 4 years has proved that the contracting out of output is an appropriate contracting form which has a strong vital force, has been continually perfected, has been tied in with the application of techniques to production, and has contributed outstandingly to creating a mass revolutionary movement and stimulated the development of production. The new contracting out mechanism, which was at first implemented on a trial basis then expanded to all areas, was affirmed by the resolution of the Fifth Party Congress and then many resolutions of the Party Central Committee, which required that it be developed into an all-round planning and management mechanism for all collective production units in agriculture, small industry, and handicrafts.

From the beginning life has continually advanced. In addition to the basic advantages there are still many deficiencies and distortions in organizing implementation and many new problems have arisen. The stands and policies of the Party and state have also gradually codified useful experiences in the many rich aspects of actual life. After the issuance of Directive 100 of the Secretariat of the Party Central Committee, dated 13 January 1981, there was issued the 14 December 1983 Council of Ministers resolution on perfecting the contracting out of output. Codifying those two important documents and gradually concretizing the resolution of the Sixth Party Central Committee Plenum on improving management in 1984, the Ministry of Agriculture has issued at least nine guidance circulars on drafting economic-social plans, determining contracted-out volumes, contracting out, organizing division of labor, cooperation, and coordination in production, creating seed production teams in the new contracting-out mechanism, distributing income, rewards and punishments, organizing the apparatus, remunerating management cadres, etc., in the agricultural cooperatives and production collectives. There are also draft

documents regarding the specific application of the new contracting out mechanism in the mountain region and the Nam Bo lowlands. A number of technical service organizations in the sphere of the district have also been changed so that they could be appropriate to the new contracting out mechanism. Thus beginning with the Party's guidance documents the contracting out output has gradually been codified in the form of legal documents of the state organs and has created great strength in society.

The greatest problem at present is that it is necessary to fully understand the policies regarding product contracting out and doing a good job of organizing their implementation. Agriculture is an economic-technical-biological sector with different ecological areas. Furthermore, the production organizations are not uniform with regard to the level of production forces and cadres. Therefore, in the process of organizing implementation we must not be mechanically imitative. However, with regard to a management mechanism which although it began to be implemented 4 years ago is still new, we can never be subjectively satisfied. In addition to developing the basic good points it is necessary to resolutely uncover and promptly correct the deficiencies. Uncovering deficiencies is one thing, but something that demands a stronger sense of responsibility and is more difficult is setting forth ways to overcome those deficiencies and promptly resolving new problems that are arising and will arise, in order to perfect the contracting out of output in accordance with the resolutions of the Party and the requirements of life.

In order to perfect the contracting out of output it is necessary to achieve all three aspects: determining rational contents for the contracting out of output and organizing their good implementation; improving the management organization of the cooperatives and production collectives so that it can be appropriate to the new contracting out mechanism, and improving the economic relationship with the collective economic organizations. Some things are clear and some things have not yet been stipulated, but we should not wait until it is complete before implementing it. Thus perfecting the contracting out of output as a planned mechanism is a mission we must continue to fulfill. Perhaps today we do not see any problems, but tomorrow new problems will arise which must be promptly and correctly resolved.

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PROGRESS IN WINTER-SPRING RICE PLANTING REPORTED

Hanoi NHAN DAN in Vietnamese 21 Feb 85 p 1

[Unattributed article: "In the North, Area Planted in Winter-Spring Rice 21.3 Percent Greater Than at Same Time Last Year But Rate Is Still Slow Compared to the Seasonal Schedule; the South Increases Winter-Spring Rice by 40,000 Hectares"]

[Text] During the past several days the weather has been warm and very favorable for planting winter-spring rice. Furthermore, the ministries of water conservancy, electric power, and agriculture have cooperated closely, so the area flooded for planting has expanded rapidly, which has created conditions for localities to have land to plant. According to the Statistics General Department and the Ministry of Agriculture, as of 15 February the northern provinces had planted 666,781 hectares of winter-spring rice, an increase of 21.3 percent compared to the same period last year. The provinces with transplanting rates 65 percent higher than the plan norm are Ha Tuyen, Lai Chau, Son La, and Vinh Phu. The four provinces of Binh Tri Thien, Nghe Tinh, Thai Binh, and Hai Phong have nearly completed their planting and have attained 80 to 90 percent of the plan norms. However, the winter-spring rice area of the northern provinces amounts to only 50 percent of the plan norm, while the best part of the season for planting is growing short. In a number of localities at the end of the irrigation systems difficulties are being experienced in flooding the fields for planting, which has slowed down the planting rate. If the weather situation is normal and the present coordination and guidance of production continues, by the end of February the north is capable of attaining 95 percent of the plan norm.

During the coming period the electricity sector will continue to give priority to flooding the fields for planting by providing about 70,000 kilowatts a day. The weather is cold but the temperature is still appropriate for planting winter-spring rice. The localities must seek sources of electricity to flood the remaining fields for planting and send all labor forces to the fields to plant the entire area during the best part of the season, while at the same time providing a sufficient number of workers to tend the transplanted fifth month-spring rice and plant subsidiary food crops and short-term spring industrial crops.

The winter-spring rice planting rate in the south is rather rapid and to date the provinces have planted 666,824 hectares, an increase of 12.6 percent over

the same period last year. Because the 10th month crop was affected by natural disasters and in some areas the crop was wiped out by flooding, the localities have changed over to planting winter-spring rice to make up for the damaged area, so the area has been expanded and has increased by about 40,000 hectares over the same period last year. There are capabilities for increasing that total between now and the end of the season.

The transplanted rice has developed well but more than 130,000 hectares of rice have been damaged by insects and diseases, especially leaf folders, and army worms have appeared. The agricultural materials sectors in the provinces are rapidly sending insecticides to the basic level to serve production. Applying combined prevention and elimination measures and using chemicals, the localities are mobilizing labor with experience in eliminating insects and diseases so that they will not spread and damage the rice.

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INDUSTRIAL STYLE CHICKEN RAISING DEVELOPED IN HANOI

Hanoi NHAN DAN in Vietnamese 25 Feb 85 p 2

[Article by Hai Trieu: "Hanoi Develops Industrial Style Chicken Raising"]

[Text] Like many other places, in the past the people of Hanoi had the custom of raising bantam chickens, Dong Cao chickens, Ho chickens, etc. During the past several years a number of families have begun to raise chickens in the industrial style. But never has the industrial-style raising of chickens by families in the four inner-city wards grown as rapidly, developed as strongly, or brought about such good economic results as at present. In 1984 alone the municipality sent more than 370,000 industrial chickens (including more than 320,000 meat chickens and 50,000 laying chickens) to more than 74,000 families in 528 organs, enterprises, schools, hospitals, and army units. By means of a stock-raising alliance between the state and the city Hanoi produced 896 tons of chicken and met part of the needs of the people in the municipality.

Hanoi has a population of nearly 2.8 million people in 4 wards, 11 districts, and 2 cities. Nearly 2 million people live in the city proper. In addition to the organs, enterprises, and schools in the city there are hundreds of organs and enterprises directly under the central level and the army units. At a time when difficulties are being encountered with regard to foodstuffs the stabilization and improvement of the living conditions of the people of Hanoi, especially the cadres, workers, and civil servants, is a major goal of the municipal party committee and people's committee.

One of the practical measures is developing family chicken raising by the use of industrial methods. That policy has the goal of creating for cadres, workers and civil servants a new occupation in which everyone can engage after work and which does not require much capital. Within only a short period of time they can have a considerable source of additional income and have an additional source of food. The chicken raising program has been carried out since the end of 1983. At that time the plan to provide breeding chickens and feed had not been balanced. The Municipal Trade Union Federation, along with the Central Poultry and Industrial Style Chicken Enterprise Federation organized the trial raising of 23,000 chickens in the families of cadres, workers, and civil servants in Dong Da Ward and the municipal education sector. During 3 months of trial raising by families the chickens were cared for and raised with correct techniques and grew rapidly, with a high survival rate. The people raising chickens earned an average profit of 50 dong per chicken per month, which amounted to a profit of 250 dong per chicken, and the more chickens that were raised the higher the profits were.

Hanoi decided to expand the movement. The municipality set aside more than 90 percent of the breeding chickens to distribute to the professional administrative organs, schools, hospitals, and families of troops and retired cadres. The rest were distributed to production units. In 1984 more than 270,000 chickens were distributed to 363 administrative organs and army and public security units, nearly 20,000 chickens were distributed to 65 installations of the education sector, etc.

The municipal chicken-raising guidance committee worked and issued breeding chicken distribution certificates every day in the week. The units receiving breeding chickens had to distribute all of them to the families of their workers and civil servants, and not distribute any to other units. The originally stipulated prices for chickens and bran were maintained. The chickens were supplied by the materials enterprises (of the Central Federation of Poultry and Industrial Chicken Enterprises) and the Hanoi Poultry Corporation. The feed was supplied by the Hanoi Poultry Corporation.

The municipality also stipulated that everyone raising meat chickens could purchase a maximum of five chickens and could buy 3 kgms of mixed feed per chicken. With regard to the laying chickens being raised on a trial basis by more than 1,500 families, the people raising them could purchase three to five of them and buy enough feed for a year (10 to 15 kgms per month). Families raising laying chickens were issued coupons to purchase feed in order to reduce the travel time of cadres and workers. In addition to the raw materials supplied by the state according to plan Hanoi created many sources of raw materials by means of alliances and joint operations with other provinces. Those units purchased raw materials at negotiated prices, so at present the production cost of a breeding chicken is 126 dong per kg and the price of feed was about 22 dong per kg (not counting circulating expenses). Meanwhile, the Central Federation of Poultry and Industrial Chicken Enterprises and the Hanoi Breeding Poultry Corporation sold breeding chickens at the price of 100 dong per kg in 1984 and will sell them at 130 dong per kg in 1985, and sold accompanying feed at 18 dong per kg in 1984 and will sell it at 20 dong per kg this year. Thus the municipality subsidized chicken raisers 45 dong for each breeding chicken raised for meat weighing about .5 kg. With the policy of stimulating chicken raising by families, in addition to such activities as selling chicken feathers, selling medicine, and providing technical guidance to chicken raisers more and more organs, enterprises, schools, and hospitals have registered to purchase chickens.

While inspecting nine installations raising meat chickens and a number of families raising laying chickens we noted that the ratio of surviving chickens was 91.54 percent (for meat chickens) and 90 percent (for laying chickens). Meat chickens gained an average of .7 to .8 kgs each and laying chickens laid 18 to 20 eggs a month. Each family raising five meat chickens had an additional income of 150 to 200 dong a month, or an additional 200 to 230 a month if it raised five laying chickens. If raised for 4 months one chicken resulted in a profit of 40 dong a month. In 1984 the municipality earned a profit of 51.2 million dong.

When asked about chicken raising, comrade Lam Thi Yen, head of the Central Female Cadre Training School, enthusiastically told me, "Everyone in the school likes to raise chickens by using industrial methods. Now nearly all of the cadres, workers, and civil servants at the school raises chickens. Everyone raises at least three chickens and many people raise 5 to 10 chickens. We set up a chicken raising guidance committee at the school and organized a club of chicken raisers to exchange chicken raising experiences and achieve effectiveness. Every day after work the women bought greens to create an additional source of feed for the chickens. Therefore the chickens raised by families at our school grew rapidly and increased in weight by an average of .8 kgs a month and a maximum of 1.2 kgs a month. At the end of last year many people sold chickens to obtain money to buy household goods and saved one or two to eat at Tet.

Hanoi effectively employed the forms of alliances and joint operations between the state and the people and between the central and local echelons in order to jointly develop the industrial-style raising of chickens. The industrial-style raising of chickens by families in the municipality by the formula of the state providing breeding stock, part of the feed, and medicine, while the people invest capital and labor to raise the chickens economized on production expenses and within a short period of time created a considerable quantity of food for society. The amount of grain sold by the municipality to the people is sufficient for only a month. The families must provide grain for the other 2 to 3 months, 15 to 20 percent of which consists of left over rice, greens, fish heads, thick rice swill, etc. Raising a chicken in 3 or 4 months saves about 6 kgs of feed. Thus not including laying chicken, but only 32,000 meat chickens supplied by the municipality to the families, if they were raised in an enterprise about 1,900 to 2,000 tons of feed worth 20 dong a kg would be needed, so there is a savings of 38 million dong. That does not include the state having to invest millions of dong to build cages, pay salaries to workers, and other expenses.

It may be affirmed that family chicken raising by industrial methods in the municipality of Hanoi has developed well because of the all-out efforts of the relevant sectors in Hanoi and the assistance of many sectors, such as the Ministry of Agriculture, the Ministry of Food, the Ministry of Aquatic Products, the Ministry of Communications and Transportation, the Ministry of Electric Power, and the relevant central-echelon organs, and thanks to economic alliances with the other provinces. The leadership comrades on the Hanoi Municipal Party Committee and People's Committee continually pay attention to guiding the basic level in overcoming difficulties and correcting mistakes, such as poor implementation of the chicken distribution plan, the poor quality of breeding chickens and feed, cumbersome organizing of supplying, etc., in order to ensure that everyone develops chicken raising and increases the incomes of cadres and workers.

The Central Federation of Poultry and Industrial Chickens has created all favorable conditions for the municipality from the very beginning, and has supplied to the families 23,000 breeding chickens and 69 tons of feed. In 1984, despite many difficulties in raising the original breeding stock and the production of commercial breeding chickens for the entire nation, the cadres

and workers of the poultry sector went all-out for Hanoi's chicken raising program. That does not include the chickens and feed distributed by the Hanoi Trade Union Federation. The federation of poultry enterprises also directly supplied to the organs and families more than 36,000 chickens and a large quantity of good-quality feed. At a time when many difficulties were being encountered with regard to rain, fish meal, and oil cakes, the Hanoi agricultural sector has made all-out efforts to create sources by means of alliances and joint operations and has supplied sufficient feed for family chicken raising to attain good results. The Hanoi Poultry Corporation has gradually renovated its management mechanism and tied in responsibility with authority in serving chicken raising, so it has been able to overcome difficulties regarding raw materials, transportation facilities, materials and equipment, etc., in order to produce good-quality breeding stock and feed and supply them fairly regularly to people in the municipality.

The movement to raise chickens by industrial methods among families in Hanoi is opening up a new prospect. Many families with experience in raising chickens have attained clear economic results. A considerable number of families raise 20 to 30 chickens and some families raise 50 to 70 chickens. Chicken raising has become an occupation of a rather large number of families, with the guidance and assistance of the municipal trade union organization and the central state installations in alliance with the locality.

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TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION SECTOR'S 1984-1985 PLANS DISCUSSED

Hanoi GIAO THONG VAN TAI in Vietnamese 3, 24 Jan 85

[Excerpts From the 1984 Recapitulation Report of the Ministry of Communications and Transportation: "Lessons and Experiences of 1984, Missions of the 1985 Plan"]

[3 Jan 83 p 3]

[Text] A. Lessons and Experiences

In 1984 the sector carried out relatively uniformly and comprehensively all three missions: transportation, the construction and repair of transportation projects, and the building of new transportation facilities. It thus attained the largest volumes of cargo transportation, passenger transportation, project construction, and transportation machinery ever. Most outstanding was the fact that clear progress was made in the construction of transportation projects and the manufacture and repair of machinery, at a time when such supporting conditions as materials and POL were in shorter supply, and cargo was both unstable and deficient. On the basis of those accomplishments we can isolate the following experience lessons:

Bringing into play combined strength:

1. Firmly grasping and closely adhering to the resolutions of the Party and the policies of the state, allying closely with the sectors, bringing into play the combined strength of the entire sector at both the central and local levels, and correctly evaluating the position and importance of the provincial and district echelon. Bringing into play and exploiting all capabilities of the production forces, science and technology, warehoused materials and materials at hand, and the specialized transportation facilities, i.e. river, maritime, mechanized, and nonmechanized facilities.
2. Continually improving and perfecting the rational organization of production and management.

In 1984, the second year in which our sector continued to implement Decision 166 of the Council of Ministers, the entire sector positively arranged and organized production in depth and in each zone. The more we carried out our work in depth the more the correctness of that decision was affirmed. That was

manifested clearly in the fact that labor, equipment, and materials were concentrated and dispersion and fragmentation were reduced. The maritime, riverine, and road transportation forces, and the construction and machinery production forces, were reorganized along the lines of achieving depth and mobility and by zones. There took form specialization by route, specialization of facilities, specialized projects, and specialization of products. Therefore, in such units productivity, quality, and effectiveness have clearly improved.

3. Pay attention to command and management. In transportation there began to take form dispatching centers and central and local transportation agencies. Therefore economic management was strengthened, the effectiveness of direct command and economic contracts were brought into play, there was good coordination with shippers, two-way cargo shipments were organized, and the initiative was taken in transportation. In capital construction and industrial production the duty officer and duty assignment systems were instituted, and each construction project item was closely inspected according to the schedule that had been drawn up.

4. Intensify in-depth investment and definitively complete and turn over construction projects by month and quarter so that they can be brought into operation.

In building transportation projects and transportation industry, due to urgent requirements regarding economic and social development, life, national defense, and security, the central level and the local level paid attention to and mastered the determination of appropriate investment ratios for transportation. Investment capital was concentrated according to an order of priorities and projects were turned over and brought into use by the month and quarter. Remodeling and upgrading were advanced to a foremost position.

Because the provinces and districts paid attention to promoting the implementation of the slogan "The central level, the local level, the state, and the people participate in building transportation projects," they motivated the people to contribute their efforts, and developed the potential of science and technology and on-the-spot materials, so the number, area, scale, and rate of projects increased. Therefore the rate of development of the economy's infrastructure on an appropriate scale was expanded.

5. Pay attention to applying material-technical advances.

In transportation industry and in the design and construction phases, the successful experiences of some bases indicated that in places in which the leadership was concerned with science and technology and took resolute, specific steps scientific-technical advances were rapidly applied to production and improved effectiveness.

It is also necessary to stress that the selected scientific-technical advances must be appropriate to the production situation, be within capabilities, and take into consideration economic effectiveness and capability for large-scale application.

6. With regard to the transportation machinery industry, in 1984 a good rate was attained because the Ministry and the sectors brought transportation machinery up to the level of transportation and project construction, made progress in the organization of production, and began to expand the authority of the basic level and combine the production bases of the central and local levels. A number of products were designated for concentrated, specialized production, with close guidance and the prompt providing of materials and equipment. The cadres and workers brought into play their spirit of mastership.

7. Drafting plans early and assigning specific missions according to each topic and specific period of time, such as the transportation of cement, the transportation of rice, the building of water-borne transportation facilities, the repair of railroad cars, the construction of key projects, border area projects, etc., are very effective management and guidance measures which we must continue to apply in the sectors and echelons during the coming period.

8. We placed emulation in the framework of the attainment of plan norms, continually motivated the masses ideologically, launched an emulation movement in the sector, and allied with the other sectors and thereby commended, criticized, and promptly found the strengths and weaknesses of each unit and sector.

Those accomplishments fell short of the requirements. The basic goal of transportation is satisfying all transportation needs promptly, safely, and without interruption. As Chairman Pham Van Dong said, the yardsticks for measuring the results of transportation are "Productivity, quality, and effectiveness." Our country is advancing from a status of small-scale production before heavy industry has developed, so difficulties and weaknesses regarding transportation are even more severe. But in addition to the difficulties arising from material-technical bases we still have the following subjective weaknesses and deficiencies:

-- In economic management and command and coordination, the important matters are decentralization and division of labor. But we have been weak and lacked uniformity in carrying out decentralization and division of labor between our sector and the other sectors, within the sector, and between the Ministry, the basic-level units and the enterprise federations, which has impeded production and transportation.

-- The leadership cadres at all levels have not fully manifested a spirit of complete mastery and have not been dynamic and creative, dared to think and do, and dare assume responsibility in command and coordination. In many places discipline, productivity, quality, and effectiveness are still deficient. Conservatism, overdependence, and partialism are still serious.

-- The annual plan was assigned early but forecasting was not good and readjustments were made slowly. The plan implementation process has not played the central role of fully mobilizing potential.

-- The application of such scientific-technical advances in production as containers, LASH barges, lighters, express trains, etc., has not been solid and

extensive, and some tasks have not become plan norms. Specialized, combined transportation, transportation shipments utilizing different facilities, and standardization programs have not been based closely on the actual situation or made universal.

-- There has been failure to concentrate on providing complete material conditions to ensure that the transportation facilities operate well, such as dredging and improving river channels and mouths, building ports, organizing specialized cargo handling, and providing cargo handling tools and equipment. Regulations and policies regarding transportation and cargo-handling workers have not been fully implemented. In central and local maritime, river, and road transportation the greatest weakness, which directly impedes transportation, is cargo handling. The river and sea ports, especially the ports of Hai Phong and Saigon, have not yet done a good job of gradually mechanizing cargo handling. Cargo-handling productivity is still low.

In the transportation facilities manufacture and repair industry deep specialization and alliances are still at a low level and the prevalent form at present is closed operations, which has caused waste and resulted in low economic effectiveness.

-- In the arrangement and organization of production, the organization of management, and the transformation of production relations there are still many tasks which have not been completed. The regulations and policies regarding economic accounting, product contracting out, and the sector management policy have been amended and concretized slowly, which has created considerable difficulties for production. The development of the district echelon has been regarded lightly.

-- The exploitation of existing potential and economizing by mobilizing the people's strength in building appropriate projects by means of manual labor and improved tools have not become a uniform, continuous movement, our people's tradition has not been motivated to a degree corresponding to the present phase and the warehoused and on-the-spot materials of the sector and other sectors have not been fully exploited. With regard to the building of road foundations and road surfaces, we have not made varied use of our present capabilities, such as concrete roads, crushed limestone roads, and gravel roads, or the use of stream gravel, pozzuolana, laterite, "honeycomb" gravel, sea sand, and river sand in building road foundations instead of rock. Dependency on asphalt has become a habit and impedes the extensive use of the various kinds of materials.

The implementation of the slogan of concentrating on the definitive completion of projects and turning them over every month and quarter has undergone a transformation but is not yet uniform and continuous. The construction of a number of public transportation projects of strategic value is still prolonged. There are still many capabilities with regard to capital, materials, labor, and technology which can be concentrated to step up the construction rate and improve and upgrade bridges and railroads, but we have not yet concentrated them to a corresponding degree. The decentralization of designing, financial forecasting, materials, inspections, and trial operations has been carried out too slowly. Transportation serving capital construction in the sector still lacks completeness and is not yet timely.

-- There is still a serious lack of vigilance in the struggle against negativism and the many-sided war of destruction, which has not yet been made a strong mass movement. The phenomena of covering-up, indifference, and not daring to struggle directly are still widespread.

In the units, the waste of materials and finances for eating and drinking is still serious. It not only has not declined but has tended to develop and has not been promptly stopped by the unit heads.

The results that have been attained, as well as the deficiencies, weaknesses, and lessons learned in 1984 that have been reviewed and evaluated at the upper echelon are bases on which we can endeavor to fulfill the 1985 plan and prepare for the 1986-1990 five-year plan.

B. The Missions, Norms, and Implementation Measures of the 1985 Plan

As we enter 1985, the concluding year of the third five-year plan (1981-1985) and the year for creating momentum for the fourth five-year plan (1986-1990), we have the advantages of many material-technical bases of the economy being brought into use, and many products which serve industrial and agricultural production, forestry, and fishing, such as grain, electricity, cement, coal, and phosphate fertilizer, domestic trade, export goods, etc., increasing and having more stable prospects. Resolutions 6 and 7 of the Party Central Committee and a number of new policies of the state, such as Resolution 156/HDBT on "some problems regarding the improvement of state industrial management" of the Council of Ministers, will have the effect of furthering production and strengthening management.

With regard to our sector, the material-technical bases have been developed and are being effectively used. More experience has been gained in organizing production, organizing management, and organizing guidance and coordination. The exploitation of the capability of economic alliances with the sectors, contributions by the people, and the assistance of the fraternal, friendly nations also underwent a new, in-depth transformation. In addition, we still have potential in the use of warehoused material, on-the-spot materials, and replacement materials.

However, in 1985 the difficulties will still be great. First of all, there is still an imbalance with regard to grain, fuel, energy, equipment, materials, spare parts, capital, etc., which will not be in greater supply, but in many cases in shorter supply, than in 1984. With regard to coordination, our all-round capabilities are also still limited. Furthermore, we must be on guard against natural calamities and floods, in addition to the many-sided war of destruction waged by the enemy, most directly by the Beijing expansionists and hegemonists, in league with the U.S. imperialists and the other reactionaries, who are every day and every hour sabotaging the three Indochinese countries, of which Vietnam is the main target. That situation has directly influenced and will directly influence many aspects of the entire sector.

Under the light of resolutions of resolutions 6 and 7 of the Party Central Committee regarding the 1985 plan of the Council of Ministers, our entire

sector, from the central level down to the local level, will endeavor to overcome the difficulties, bring into play the advantages and combined strength, exploit all potential, strengthen management and coordination, do a good job of organizing the socialist emulation movement, develop to a high degree the spirit of collective mastership and mastering the situation, achieve good labor discipline, oppose negativism, and oppose the enemy's many-sided war of destruction. We will carry out Resolution 145 and Resolution 156 of the Council of Ministers, stabilize the organization of production, with a specific and rational production line in order to achieve in-depth development, and combine the effective implementation of the programs to apply scientific-technical advances with the goal of promoting accounting and commercial operations in order to develop the sector's production to a new, higher level than in 1984 so that it can be uniform and solid in all three aspects: transportation, transportation and industrial construction, serving the lives of the people, consolidating national defense and security, and fulfilling international obligations.

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Text 7 C. Missions, Norms, and Methods for Fulfilling the 1985 Plan

1. Transportation:

-- Mobilizing all capabilities of mechanized and nonmechanized facilities, giving priority to water-borne transportation; combining the central level, the local level, and the sectors; and achieving deep specialization and mixed-facility transportation in order to increase the volume of cargo transported by seven percent, limit stagnation, damage, and losses, increase cargo-handling productivity by 15 percent, increase the ratio of facilities utilization to 68 percent and increase the use of motor roads to 67 percent, of river routes to 55 percent, and of maritime routes to 80 percent, decrease the kilometer/empty vehicles ratio in comparison to the kilometers/loaded vehicles ratio by 35 percent, reduce the turn-around time of facilities by 15 percent, increase the ratio of water-borne transportation to 39.2 percent, increase the ratio of nonmechanized transportation in road and river transportation to 16.5 percent, increase the volume of cargo carried by railroads to 9.8 percent, and reduce the ton/kms ratio of trucks by 9 percent. Promptly transport the essential goods to serve production, life, national defense and security, the northern and southwestern border areas, the north-south route, and Laos and Cambodia, and further improve the people's travel conditions and readiness to fulfill all other ad hoc missions.

Missions of the sector as a whole:

The total volume of cargo transported by the sector in 1985: the increase in public transportation volume must equal 106.9 percent of the 1984 total with regard to tons and 99.6 percent with regard to tons/kms. Cargo transported by the central level will be 107.6 percent of the 1984 total with regard to tons and 99.8 percent with regard to tons/kms. Local forces will attain 106.7 percent of the 1984 total with regard to tons and 99.2 percent with regard to tons/kms. Specialized transportation will equal 110 percent of the 1984 total with regard to tons and 103.9 percent with regard to tons/kms.

-- Overseas cargo transportation: 92 percent of the 1984 total with regard to tons and 94.3 percent with regard to tons/kms. Cargo passing through the seaports will equal the 1984 total.

-- Domestic cargo transportation: 107.4 percent of the 1984 total with regard to tons and 105.3 percent with regard to tons/kms.

The principal types of goods are lump coal, cement, grain, domestic trade goods, fertilizer, wood, and apatite. North-south traffic in those goods will increase 24.2 percent over 1984. Transportation to the mountain region provinces and the northern border provinces will increase 8.3 percent over 1984.

Passenger transportation will equal 1984.

Missions of the central and local transportation sectors:

a. River transportation:

In 1985 the transportation volume of the river transportation sector will be 114 percent of the 1984 total with regard to tons and 103.4 tons with regard to tons/kms.

The northern river transportation sector must solidly ensure the transportation of coal, cement, fertilizer, and grain.

The southern river transportation sector will mainly transport grain, including collecting it, centralizing it, and transporting it to the regional ports and to Ho Chi Minh City, from which it will transport coal, cement, fertilizer, etc., back to the localities.

Fully utilizing their advantages, the river transportation forces from the central level down to the local level (including the sectors) must consolidate and gradually complete plans and the structure of the transportation network, and rationally use the various kinds of mechanized and nonmechanized facilities.

On routes with stable sources of goods at both ends it is necessary to organize special routes and specialized cargo-handling forces to improve economic effectiveness. On one-way routes which transport fresh, easily spoiled goods, goods destined for the border provinces, etc., high-speed facilities will be used to transport the goods rapidly. On routes with large transportation volumes it is necessary to gradually install a system of navigation buoys and warning lights in order to transport goods continually, night and day. At the transshipment points it is necessary to take the initiative by forming alliances with the other transportation sectors, ensure the transportation of the full amounts of cargo of the proper quality, and avoid waste. We will gradually introduce ocean-going river boats plying the north-south route between the ports in the Red River Delta and those in the Mekong Delta to transport coal, cement, and fertilizer south and transport grain and domestically produced goods north.

While the central echelon is not yet able to build sufficient ships, during the next few years it is necessary to mobilize the various kinds of ships with appropriate drafts belonging to the central and local river transportation and maritime transportation sectors for use on that route.

With the above measures, in 1985 the central river transportation forces must attain 3,500 ton/kms per ton of towboat capacity, and 12,500 ton/kms per towboat worker, and the local river transportation forces must attain 2,800 tons/kms per barge ton. Inspection and control on rivers must be carried out well, the service work must be expanded, and conditions must be created for more convenient, faster travel in order to strongly develop passenger transportation on rivers. We must continue to transform and reorganize the river transportation forces, along the lines of state and collective operations.

b. The maritime transportation sector:

In 1985 the total transportation volume of the maritime transportation sector with regard to tons will be 114.2 percent greater than in 1984 and with regard to tons/kms will be equal to the 1984 total.

Domestic transportation will equal 122 percent of the 1984 total with regard to tons and 124.9 percent with regard to tons/kms.

The maritime transportation sector must first of all fulfill its specialized management functions toward the localities and the other sectors, including both domestic and overseas maritime transportation. It is necessary to extensively apply the scientific-technical advances in order to increase cargo-handling productivity at the ports, especially the ports of Hai Phong, Quang Ninh, Saigon, and Da Nang. It must improve and promote the mechanization of cargo-handling in order to increase its capability to move cargo through the ports, especially the ports of Hai Phong and Saigon. In the immediate future it is necessary to ensure the full loading of ships and not allow ships that are not fully loaded to leave port.

On the basis of the capabilities of each type of ship it is necessary to organize on a stable basis specialized ships, specialized routes, and specialization in domestic or overseas transportation, and set aside special ships to transport cement and sundry goods by containers, etc., in order to shorten the turn-around time of ships and reduce damage to cargo.

In 1985 the renting of ships will be centralized in the transportation sector. The localities and central sectors with requirements for transporting exports or imports must work through the Ship Rental-Navigation Brokerage General Corporation in order to unify management, deploy facilities, balance two-way cargo, and reduce waste. The Ship Rental Corporation, the dispatching centers, and the central and local transportation agents must, along with the sectors and shipping organs, take the initiative in coordinating the gathering together of export goods with the dispatching of cargo ships, and combine the use of domestic ships with the renting of foreign ships in the most effective manner.

c. The railroad transportation sector:

In 1985 it is necessary to improve the quality of locomotives, railroad cars, communications signals, and railroads, rectify the organization of train operations, organize and plan the stations, and ensure an increase of 9.8 percent over 1984 with regard to tons and a .8 percent increase with regard to tons/kms.

Passenger transportation will equal 100.7 percent of the 1984 total with regard to the number of passengers and 89.6 percent with regard to passengers/kms.

In order to fulfill the planning mission, first of all the railroad sector must consolidate its internal ranks, rally the intelligence and forces of the cadres, workers, and civil servants, develop the sector's tradition, and rectify the organization of production and management along the lines of carrying out a division of labor and decentralizing to the basic level.

On the basis of the volume and nature of cargo and the capability of each segment to handle cargo and balance the terminal points, the railroad sector must organize and directly command such specialized route and specialized cargo trains as the Song Than-Hoang Lien Son cargo train, which runs twice a month, and the Bim Son-Ninh Hoa train, which runs three times a month. The remaining one-meter track routes and the 1.435 meter track routes must be similarly organized. The railroad lines to the Pha Lai and Uong Bi generating plants, the Hoang Thach cement mill, the Na Duong coal mine, the seaports, etc., must be effectively used. Light locomotives and light railroad cars should be used to form trains specializing in transporting materials to upgrade the railroad lines of the regional roads and bridges.

Reorganizing the cargo stations and passenger stations so that they can be truly appropriate and abandoning irrational stations in order to increase the rate of train movements. Stations which handle cargo, no matter how much, must organize specialized cargo-handling forces and be equipped with sufficient numbers of the necessary implements and equipment.

It is necessary to repair the installations supplying water and coal or to build new ones. Conditions must be created so that such installations can always be prepared to operate, in order to reduce the maintenance time.

Along with the shippers, it is necessary to reorganize the cargo-handling locations. In the event that such locations have not yet been provided, but the number of railroad cars is not great and they are scattered about, regional composite trains should be marshalled at the stations to form trains. But in places with large, stable cargo shipments, through trains must be organized. Train speed schedules should be drawn up, discipline and safety must be attained in train operations, and the art of organizing cargo flow and train routes is a very complicated matter. However, it is very important to restore order in order to increase turn-around time, increase speed, and increase productivity and effectiveness.

Every year the central and local planning organs must, when distributing trucks, concentrate adequately on the transportation sector in order to carry out public transportation, and assign only a small percentage of them so that the other sectors can fulfill their transportation missions with regard to production or specialized transportation.

On the stable long-range routes it is necessary to organize communications and establish dispatching stations, technical inspection stations, and places for drivers to rest. In places which ship and receive cargo on a concentrated basis it is necessary to form alliances with the shippers and prepare packaging, cargo handling, weighing and measuring, account settling, etc., in order to avoid waiting. At the transportation hubs and river mouths it is necessary to cooperate closely with the public security and customs personnel in order to both exercise strict control and prevent truck drivers from illegally buying and selling, while also ensuring that transportation is uninterrupted and rapid.

We must continue to reorganize passenger transportation on the land routes and go all-out to ensure safety, order, promptness, correct routing, and the required number of seats. There must be a distribution with regard to passenger transportation among the transportation sectors and between the provinces and the municipalities with concentrations of transportation hubs. Passengers should not be transported by motor vehicles on routes with convenient river transportation and on which the railroads do not have sufficient passengers. On routes heavily traveled by passengers and merchants there must be special cars so that baskets, carrying poles, and smelly goods will not be taken aboard passenger cars.

We must gradually provide the districts with three-wheeled Lambrettas and small trucks in order to organize transportation routes to the villages, especially in the mountain region districts. We must resolutely eliminate the evils of speculations, illegal ticket selling, and arrogance on the part of cadres, personnel, and drivers toward customers. All-out efforts must be made to improve bus transportation in the cities and ensure convenient travel by cadres and workers.

d. The volume of transportation at the district level is very great so in the 1985-1986 two-year period it is necessary to urgently complete the transformation of individual transportation facilities and organize them into collective transportation forces. In districts with collective forces they must be consolidated in depth, and when there are sufficient conditions the state should take over their operation. Mountain region districts without river transportation or railroad transportation must develop nonmechanized transportation by means of animal-pulled carts, pack animals, or improved carts, while at the same time being supported by mechanized means. We must urgently provide sufficient professional and management cadres for the district echelon.

2. Build transportation projects and the transportation industry.

The common objective is increasing traffic flow, especially on the ocean-river routes and the north-south railroad line. In 1985, with regard to building transportation projects it is necessary to combine construction capital with major renovation capital and central capital with local capital, strongly mobilize obligatory labor and the contributions of the people, make use of both mechanized and nonmechanized facilities, widely apply scientific-technical advances, extensively use on-the-spot materials and the various kinds of replacement materials, strengthen the development of the prefabrication of components in a number of areas, combine construction with upgrading and renovation, build new installations on a selective basis, and bring renovation and upgrading up to the same level as new construction. Concentrate renovation and upgrading on railroad bridges and road bridges in the cities, on national routes, on key provincial routes, and on roads in the mountain region. New construction must be oriented toward on breaking up a number of major transportation bottlenecks in the northern mountain provinces, in the Central Highlands, in the Mekong Delta, and in the districts, on the bridges and roads in Laos and Cambodia, and on industrial projects. We must effectively dredge a number of seaports and river mouths and a number of river routes. In 1985 investment capital will not increase over 1984 but must be effectively concentrated and 65 percent of the total capital invested must be in projects that are turned over and brought into use during the planning year.

Investment in key projects must be closely combined with in-depth investment, with an appropriate ratio of labor, materials, and equipment being set aside for renovation, repair, and storm and flood prevention and fighting.

New construction must be rationally balanced between key projects under construction over many years and projects that can be completed during the year.

The most difficult problem in construction is balancing materials, raw materials, and fuel. With that level of investment, it is estimated that the central and local levels together can provide only 55 percent of the materials and fuel required. Therefore, there must be appropriate planning and preparations must keep a step ahead. The central echelon must promptly supply materials and fuel, the units and localities must fully utilize their manual labor and improved tools, and use warehoused materials, on-the-spot materials, and replacement materials to build road foundations and surfaces, in order to replace or economize on asphalt.

a. Road transportation:

On the basis of a division of labor and decentralization the entire sector, from the central level down to the local level, must take the initiative in persistently and diligently renovating and repairing old roads to ensure that on all national routes and provincial routes, especially roads in the cities and provincial capitals, to fill in potholes, clear drainage conduits, repair the system of kilometer markers and road signs, including dividing lines on the standard roads. With the slogans of using asphalt to patch asphalt, using cement or gravel when asphalt is not available, in 1985 major repairs will be carried out on 1,645 kms of roads. Of that total, central level roads will account for 709 kms, central level roads will account for 936 kms, repairs will

be carried out and potholes filled in on 22,014 kms of roads, of which 11,779 kms are state routes and 10,235 kms are municipal and provincial roads.

It is necessary to pay attention to making advance preparations for the work of preventing and fighting floods and storms, overcome their consequences as rapidly as possible, and endeavor to open roads within 5 days. In places where fighting is taking place it is necessary to use army personnel and the local people to build additional detour routes and alternate routes to ensure transportation and serve the fighting.

-- With regard to improving roads and building new ones it is necessary to concentrate selectively on a number of national, provincial, and district roads, especially the high-speed beltway roads in Hanoi and a number of roads in the northern mountainous provinces, the Central Highlands, and the Mekong Delta.

The localities must promote the building of provincial roads, carry out a specific division of labor among the districts, and endeavor to complete and bring into use during the plan year such roads as the Dinh Vu-Cat Ba road (Hai Phong), the Hue-A Luoi road (Binh Tri Thien), the Nha Be-Duyen Hai road (Ho Chi Minh City), the Vinh Long-Tra Vinh road (Cuu Long), the Nam Can-U Minh (Minh Hai), the Cao Lanh-An Huu road (Dong Thap), the Thanh Tri-Hau Giang road, the Ben Tre-Giong Trom road, the road to Ba To, etc.

In the sphere of the districts it is necessary to, according to plan, develop roads and water routes to the villages and hamlets. In districts with roads it is necessary to select artery roads to gradually be surfaced with rock and surfaced to ensure that they can be used all year. Attention must be paid to developing ports on an appropriate scale.

b. Improve and upgrade railroad lines and build new ones.

The Thong Nhat railroad line: continue to improve and upgrade 170 kms, restore, reinforce, or build bridges, etc.

Prepare to lower the grade along the Doc segment and lay it in the standard 1,435 meter gauge, lengthen the bypass roads at stations where necessary, and build additional railroad stations, fences, stations to supply water and coal, etc.

The Thang Long bridge: complete and turn over the main bridge, the approach road, and the railroad approach.

The Hanoi railroad complex: lay the foundations for the line to Viet Hung, and the foundations for the Bac Hong, Van La, Viet Hung, and Ngoc Hoi stations, complete the laying of a 1.435 meter line from Thang Long to Phu Dien and a 1 meter line to Viet Hung, build six temporary railroad stations, and complete the installation of communications and signal equipment at the Bac Hong and Viet Hung communications centers.

The Mai Pha-Na Duong line: lay the line as far as Na Duong by the end of 1985.

The Uong Bi-Cai Lan line: endeavor to build the foundation as far as Ha Long and lay the line as far as Cai Nam. Complete and bring into use the Uong Bi-Cai Nam line.

The Pho Lu-Lang Vang line: complete the Ngoi Chat bridge, upgrade the switches, install the communications-signal system, and bring it into operation in 1985.

The Hai Phong-Hanoi-Pho Lu line: step up the renovation of the line, restore the weak bridges, and replace the rails and ties, improve the stations, and build housing and workshops at the Yen Bai and Yen Thi stations.

Accelerate the contracting out of the Quan Trieu-Nui Hong line, the Cua Ong-Hon Gai line, and the line to the Tri An electricity generating plant. Urgently draft an economic-technical justification for improving the Thong Nhat railroad line.

c. Seaports and river ports:

--Seaports: in 1985 it is necessary to complete the renovation and repair of the urgent project items of the ports of Saigon, Hai Phong, Nha Trang, and Dan Nang, build a new pier at the Cai Lau port and a container pier at Nha Trang, a pier at Saigon between Khanh Hoi and Tan Thuan, and an anchorage facility for LASH barges and a barge anchorage facility at Quang Ninh. Construct a coal port at the Cua Ong coal port for the Ministry of Power and Coal. At the Saigon and Hai Phong ports it is necessary to complete the construction of such project items as machine shops, communications buildings, storage yards, cranes, roads, and railroad lines.

River ports: complete the pier and overhead crane at Viet Tri, strengthen the cranes at the ports of Ninh Phuc, Hanoi, and Le Mon (Thanh Hoa) and, along with the localities, begin construction of the ports at Tan My (Binh Tri Thien), My Thoi (An Giang), and Tac Cau (Kien Giang), complete the Ca May port, and prepare to construct the Cho Gao port (Ben Tre). Transform the Long An, Tra Vinh, My Tho, Binh Dong, Co May, Ben Keo, and Vinh Thai ports into an integrated river port complex in the Mekong Delta.

d. Dredge rivers and river mouths to support transportation: promote the work of dredging rivers and river mouths to ensure uninterrupted water-borne transportation, and transportation between ports and between deltas, at a time when the amounts of alluvium deposited in the river mouths and river channels change radically, especially in the northern provinces. Because our equipment and fuel capabilities are limited it is necessary to select river mouths and river channels with urgent requirements and concentrate equipment, facilities, and labor to dredge them.

Increase the number of navigation buoys, lights, warning signs, channel markers, and depth markers at the mouths of rivers with large cargo flows in order to have day and night transportation.

It is necessary to study, improve, and try out river dredging boats to dredge a number of river mouths. The building of rotating dredges must be developed to dredge the ports and the narrow, shallow river channels. The municipality of Hai Phong will be assisted in dredging the Cai Thap River.

The carrying out of rescues at sea and on rivers, raising ships and barges that have sunk in river and sea channels, and the raising of cargo from ships that have sunk along the coast will be strengthened.

e. On industrial construction:

The principal mission is to complete and bring into use the unifinished project items of the Gia Lam railroad shops and the Ha Long and Bach Dang ship building facilities. We will accelerate the construction of the Dong Anh switch factory and the Ngo Gia Tu motor vehicle parts manufacturing plant. We will gradually expand repair and manufacturing at the Di An railroad car shop, the Chi Hoa, Thap Cham, Da Nang, and Vinh locomotive shops, the Luong Son and Hai Phong railroad car shops, the Bach Dang shipyard, the CK76 barge-building facility, etc.

We will increase equipment to improve the capabilities of a number of rock quarrying enterprises and consolidate the Chau Thoi and Thang Long concrete component production enterprises in order to produce concrete components. The production of steel bridge girders will begin. The Materials and Equipment Industry Department, along with the federation of enterprises building the Thang Long bridge and Transportation Construction Enterprise Federation 6 will organize the gathering up of old bridge girders lying scattered about in order to manufacture structural steel girders for the northern and southern regions. We will step up construction of the Navigation College and housing for a number of production bases. The expansion of the Vietnam-Soviet machinery workers school at Ba Vi will begin.

3. Transportation Industry Production:

We must use all machinery forces of the entire sector and combine a specialized division of labor with cooperation and alliances between the central machinery enterprises of the central level and the local level, combined with repairing and manufacturing parts and elevate repairs to a status equal to that of manufacturing, in order to create conditions for increasing the ratio of facilities utilization to 70 percent. The central echelon will concentrate on building and repairing river boats and regional ocean-river ships, tow boats and river barges with large capacities, and high-speed river boats. The localities will concentrate on building barges and boats made of steel, reinforced concrete, wood, bamboo, etc., trailers, improved carts, animal-drawn carts, and improved tools for construction and for cargo handling at the ports and railroad stations. We will consolidate the enterprises producing construction materials of steel, concrete, wood, etc.

In 1985 the total industrial output of the central echelon will be 120.4 percent of that in 1984 and the output of local industry will equal 113.6 percent of that in 1984. The most important matter is to increase the value of

commodity production attained during the year by the central echelon by 21 percent, and that of the local echelon by 15 percent, over 1984.

The maritime sector, in coordination with the machinery sector, will assign to a number of parts production factories in Vietnam responsibility for using foreign exchange provided them to import materials and parts, in order to exploit to the maximum extent the domestic capability to repair ocean-going ships. In addition to building new ships the shipyards must positively accept the repair of a number of small ships, depending on their dry-dock capability. We must prepare to form ties with a number of countries to promote the repair of foreign ships and increase foreign exchange earnings.

a. With regard to marine machinery, the central and local levels must ensure the repair of 220,000 tons of marine facilities and 110,000 horsepower, and achieve good organization in order to repair 35 ocean-going ships, including 15 large ships. Build 65,000 tons of barges with 137,000 CV towboats and tug boats.

b. With regard to railroad machinery: ensure the annual overhauls, major repair, and renovation of railroad cars. We must build railroad cars to transport fish sauce, Class 1 passenger cars, and self-propelled cars to inspect track. Wash, repair, and carry out major repairs on locomotives of all kinds. Produce 300 tons of parts for locomotives and railroad cars and 1,175 components or laying railroad lines.

c. With regard to automotive machinery and construction machinery, ensure small regular repairs. There must be cooperation and alliance between the central and local levels in repairing trucks of all kinds, construction machinery, and cargo-handling equipment, and in building buses. Hanoi and Ho Chi Minh City will build three-wheeled Lambrettas for the districts, especially those in the mountain region. Studies will be carried out in order to produce additional spare parts which we are capable of producing. Expand the production of diesel engines and make them the standard, and specialize enterprises to produce and repair cranes and mechanized and semi-mechanized cargo-handling equipment.

d. With regard to the production of construction materials: consolidate and reorganize the sector-wide rock quarrying network and provide additional equipment and parts for the southern rock quarries in order to produce 1 million cubic meters of rock of the various kinds. Study the construction of laterite gravel quarries and quarries which obtain gravel from rivers and streams. Improve the quality of cement produced to build concrete roads.

In order to fulfill the above norms, the central and local industrial sectors must complete the organization of production, determine clear division of labor and decentralization, gradually achieve in-depth specialization and production alliances, form satellite factories in each region, and gradually eliminate closed-off operations in industrial production.

Renovate the system of supplying materials by transporting them directly to the places of production if the quantities are large and transported long distances, or informing the units to pick up the cargo at railroad stations,

ports, or factories if the quantities are small and distances are short. The Ministry's materials corporation will only receive and transport to warehouses the sector's reserve materials and equipment.

With regard to a number of products, such as cement, wood, iron and steel, etc., the Ministry's materials supplying organ will directly recommend that the shipping ministries send them to production units according to the quantities stipulated on a monthly basis, and not ship them from regional supply depots. Quantities warehoused by the ministry, the sectors and the transportation services must be closely monitored so that they can be distributed and used or downgrade warehoused materials the value of which has fallen below the level set by the state.

Each Service and Federation must organize a unit (in the railroad sector, one unit per division) to pick up materials dropped in their areas, to be reprocessed, used, or sold as waste materials to the state.

II. Management and Principal Measures for Fulfilling the 1985 Plan

1. Research and apply scientific-technical advances.

a. Do a good job of carrying out programs to apply scientific-technical advances that are complete and have norms, and bring the results of research into production in order to contribute to promoting plan fulfillment.

In 1985 it is necessary to concentrate on carrying out the following programs to apply scientific-technical advances:

-- Organizing river-sea transportation routes between ports in the two deltas with the norm of one round trip every 25 days. Create river-sea routes between Quang Ninh and Le Non and between Nghe Tinh and Binh Tri Thien in order to transport coal to Hai Phong and transport wood, gypsum, and exports from Hai Phong.

-- Rationalize the use of appropriate ships to directly enter ports and reduce transshipment.

-- On the basis of the present number and types of containers, appropriate ships must be selected in order to create container transportation routes between the ports of Hai Phong and Saigon and attain the norm of one trip every 20 days.

-- Increase the cargo transportation capacity on the Hanoi-Hai Phong railroad line by 50 percent and organize the use of newly imported high-capacity locomotives on the north-south railroad line.

-- Consolidate and develop the effectiveness of the model Hanoi-Son La-Lai Chau transportation line and begin to connect it with the Bac Thai-Cao Bang line, with mixed-facility transportation.

With regard to building transportation projects we must bring into operation laterite and pozzuolana quarries for use in building road foundations and road

surfaces, in order to develop a whole series of such road-building materials. We must build on the results of 1984 and continue to expand the use of concrete in surfacing some roads, in order to economize on asphalt.

-- Promote the use of precast concrete components on the Thang Long bridge, the Chau Thanh concrete bridge, and the B19 bridge in Vinh, combined with the use of mechanical facilities to build bridges of appropriate length.

Begin the repair of steel trusses by industrial methods at the enterprise federation building the Thang Long bridge -- a total of 500 meters of trusses -- essentially to ensure transportation.

Promote the manufacture and restoration of parts to serve the repair of locomotives, railroad cars, water-borne facilities, and the various kinds of trucks and construction machinery. Pay special attention to promoting the reconditioning of diesel locomotive parts and railroad car brakes.

b. Carry out a recapitulation to evaluate the scientific-technical research projects that have been completed, especially the six state-level research programs and the six ministry-level research programs. Have plan norms and specific measures for applying the results of that research to actual production, and transform model designs and production technology into scientific bases for building the new management structure, improving organization, etc.

c. Closely guide the drafting of programs for research and the application of the sector's key scientific-technical advances in the 1986-1990 phase to meet the sector's developmental requirements in coming years. First of all, the Economic Planning Institute, in coordination with the relevant sectors, will seek the assistance of Soviet specialists in order to complete in the 1985-1986 period a master transportation plan. In order to fulfill those missions the heads of echelons and sectors must regard the application of scientific-technical advances as an important measure in the in-depth exploitation of potential and contribute to completing production plans. The application of scientific-technical advances should be expressed in terms of legal norms which balance materials and capital and are tied in closely with production plans, after which there must be close, definitive guidance measures. It is necessary to pay attention to both scientific research and the application of scientific-technical advances in order to fulfill the short-range and long-range requirements. Promote and develop the application of scientific-technical advances at the basic level, combined with the fulfillment of the units' production missions.

2. Strengthen the survey-design work.

It is necessary to complete the drafting of legal documents, stipulate the contents of the sector's specialized management, carry out decentralization and division of labor regarding project planning, the reviewing of project plans, and draft estimates for all mechanical products and transportation projects. Improve the quality of studies and surveys in order to set forth the most rational and economical plans, ensure rapid construction, and improve the quality of construction projects. Full attention must be paid to using

structural components and to fully utilizing warehoused materials, on-the-spot materials, and replacement materials. Furthermore, control of product quality and project quality must receive special attention in order to avoid the waste of materials and capital and ensure effectiveness of use.

3. Strengthen economic and financial planning.

a. Continue to renovate planning in all respects. That is a difficult problem, so it must be carried out step by step. Tasks that have already been completed must be improved in quality in 1985.

First of all, it is necessary to step up the statistical work throughout the sector in order to grasp the situation promptly and accurately. We must adhere closely to the economic development stands and requirements stated in the resolutions of the Party Central Committee, and fully utilize the four sources of capital, especially by fully exploiting the capital of the sectors, localities and the enterprises, as well as contributions of the people, to take the initiative in promoting plan fulfillment. First of all, we must pay attention to overseeing plan fulfillment during the year, in coordination with drafting the plan for the following year, so that the new plan can have a solid basis. Plans must be drafted at the basic level and implemented from the beginning of the plan year. The heads of the plan, materials, and financial units must coordinate all their activities to prepare materials, capital, etc., for the first quarter of the following year during the fourth quarter of the present year.

-- Begin the implementation of Directive 412-CT and Decision 159, dated 8 December 1984, of the Council of Ministers regarding the improvement of national economic planning, including the gradual implementation of the eight aspects of planning regarding investment in capital, labor, supply, materials, science and technology, exporting-importing, credit budgeting, prices, the improvement of material and technical living conditions, and planning to combine economics with national defense. We must gradually concretize the above planning aspects so that they can be appropriate to the specific characteristics of the transportation sector to enable planning to be relatively balanced, complete, and solid. Furthermore, it is necessary to expand the authority, dynamism, and creativity of the basic level and balance to the highest degree all needs of production, construction, and the lives of the localities and bases.

-- All levels, from the Ministry down to the sectors, localities, and bases, must adjust, supplement, and draft labor, economic-technical, production cost, and selling price standards and norms, in order to form a scientific basis for guiding and managing planning and economic accounting. At the Ministry level we will form a council permanently chaired by the Institute of Economic Planning to study the adjustment and supplementation of the old norms, unit prices, and production costs so that they can be appropriate to the changed production conditions. The federations, localities, and basic units must have organizations to draft sector and enterprise norms in accordance with an overall division of labor. The council and those organizations must operate permanently in accordance with a unified plan.

-- Furthermore, promote the drafting of plans from the bottom up, especially by the basic units and the district echelon. Along with the basic-level units drafting plans the upper-echelon management organs must organize the protection of plans specifically and profoundly, and on that basis strongly exploit potential. The basic-level units must confirm the contents and quantities of the internal plan norms in order to assign them to the factory departments and production teams and units, accompanied by the conditions regarding obligations and rights, in order to mobilize the dynamism and creativity of the broad working masses.

-- With regard to legal plan norms, we must reduce the quantitative norms in accordance with the contents of Resolution 6, but must also supplement a number of sector norms in accordance with the changed nature of production organization, such as the volume of in-depth transportation, specialization according to route, specialization according to cargo, container transportation, etc., and a number of other economic-technical norms.

-- In addition to the regular annual, quarterly, and monthly production plans it is necessary to pay all-out attention to operational plans, plans for each mission, and plans to construct individual projects, and organize monitoring, management, preliminary and final recapitulations, and prompt commendations and awards.

b. With regard to economics, combine planning with commercial operations and economic accounting, and change over more and more strongly from subsidy management to economic accounting.

In order to accomplish that, first of all it is necessary to study the amendment and supplementation of unit prices, production costs, and fee norms so that they can be rational. In the near future we must complete the drafting of cargo and passenger transportation fees by river, railroad, sea, and trucks so that they can be promptly submitted to the state on the occasion of the salary system reform. In addition, it is necessary to study and recommend to the state the amendment of a number of systems and policies, such as the basic depreciation system, major repair depreciation, and the exchange rate, and give guidance regarding the use of foreign exchange. We must expand the right of the basic level to take the initiative in production and commerce and its right of financial autonomy. Implement on a trial basis and expand the assignment of salary expenses per unit of production or commerce, and make it a legal norm. The total salary fund is only a norm for making calculations and ensuring that the enterprise can promptly obtain salary funds in order to promote production. We must widely apply the advanced forms of paying salaries in place of the system of paying equalized salaries according to labor. When determining the salary expense per unit of transportation output it is necessary to distinguish the nature of the cargo, the route, passengers, etc. With regard to industry, it is necessary to distinguish between repairing and manufacturing, and avoid calculating average salaries, which is easy to do and hard to give up. The Economic Planning Institute, the Department of Labor and Wages, and the Department of Financial Accounting will study and experiment with including income allowances in salaries so that the workers can realize their actual salaries and that they are related to their labor responsibility.

c. With regard to finance, on the basis of improving economic management, salaries, and prices, we must resolve all financial relationships. Each federation and unit must not only balance income and expenditures but must endeavor to accumulate capital to achieve expanded reproduction.

The railroad, river, and motor vehicle transportation sectors must take steps to collect all fees and avoid deficits in passenger transportation.

The sectors at both the central and local levels must efficiently and rapidly settle annual financial accounts according to the stipulated system and do a good job of carrying out a general inventory and evaluation of property in April 1985.

4. Consolidate production organization and management organization and train and assign workers.

On the basis of the decision to organize production throughout the sector, from the central sector down to the local level, we must carry out the in-depth consolidation of stable units and adjust and organize units that have undergone change. On that basis we must supplement the functions and missions of each unit and the titles of cadres and personnel, clarify the division of labor and decentralization, and organize economic alliances within the economy and with relevant sectors.

In 18 federations of production enterprises at the central level and 150 local corporations and enterprises it is necessary to continue to concretize the organization of specialized, complete assembly lines with decentralization, division of labor, and a reduction of indirect labor.

In organization it is necessary to combine the arrangement of production forces with transforming production relations with the private transportation components and perfecting production relations with the collectives and cooperatives. The high-level cooperatives with sufficient conditions should be transformed into state corporations or enterprises. The sectors and echelons must strengthen the dispatching centers and transportation agencies so that they can operate effectively.

a. With regard to management organization and the management mechanism, the organs of the Ministry and the production units directly under the services, provinces, municipalities, and district must gradually complete their organization in accordance with resolution 150-152 and decision 145 of the Council of Ministers. In 1985 the Ministry will promulgate a number of documents of a legal nature regarding specialized sector management, such as managing maritime transportation, transportation agents, fees, production costs, and paying salaries according to output. At the same time we will stipulate a division of labor between public transportation and transportation that is part of the production process and specialized transportation. We will carry out extensive propaganda and education among the people in many different forms.

On the basis of an organization that takes along the lines of combining sector specialization with territorial areas it is necessary to continue to

reorganize the production line so that it can be appropriate to objective conditions. In transportation it is necessary to, on the basis of the cargo at both ends, the situation regarding the route, and the facility conditions, flexibly organize transportation specialized according to route cargo, station, or port, accompanied by organizing cargo-handling forces, improving tools, and stepping up the mechanization of cargo handling in order to increase the rate of transportation. The maritime sector must assume responsibility for specialized sector management and create conditions for ships belonging to the localities to operate in the common orbit, to ensure high economic effectiveness. In the immediate future it is necessary to mobilize appropriate facilities of the sectors and localities to transport cargo on river-sea routes. We must continue to organize specialized transportation routes in all transportation sectors. On long-range routes with large cargo volumes the federations, services, or corporations must exercise direct command. The short-range routes which do not have large volumes should be decentralized to the enterprises so that they can organize and guide implementation.

In the spheres of industrial production and transportation construction it is also necessary to continue to arrange production lines in the direction of specialization and cooperation on an increasingly larger scale, in order to avoid dispersion, fragmentation, and closed operations within the sphere of the organization. Labor forces, equipment, materials, capital, and scientific-technical facilities must be concentrated to fulfill the norms and plans along the lines of stressing the repair of facilities and the renovation and upgrading of roads, and raising them to the level of manufacturing new facilities and building new roads.

b. With regard to training cadres and workers.

The colleges, middle schools, and technical worker schools must supplement and improve their curricula and instructional plans so that they can be appropriate to the actual situation, on the basis of recapitulating work and production every year and relating the contents of education and training to production. It is necessary to closely guide on-the-job training by students, strengthen the technical workers schools, provide additional instructional aids, equipment, classrooms, and housing for the students, and improve the teaching methods. Special attention must be paid to forging the new man.

We must concentrate on developing the Navigation College into a center for training captains of ocean-going ships and river boats, ship designers, and transportation coordinators. The Economic Management School must be strengthened so that it can fulfill two functions: providing training in management and recapitulating the production experiences every year.

It is necessary to determine at an early date draft plans to develop the sector between 1990 and 2000 in order to draft training plans for the 1986-1990 five-year period and future years. Attention must be paid to providing cadres for the border provinces and the southern provinces and to gradually changing over to the mode of local training.

c. On the deployment of cadres and workers: after graduating at the middle school, college, or post-college levels, cadres with good moral qualities who are skilled in production and research must boldly be assigned to key positions. In the 1985-1986 two-year period some cadres must be reassigned from the departments and institutes and sufficient cadres must be assigned to assume responsibility in the districts, at the railroad stations and river ports, at the cargo-handling yards, at the materials production bases, at the dispatching centers at transportation hubs, and in units operating in the mountain region and abroad. We will recruit 9,650 workers, mainly troops who have fulfilled their obligations and unemployed urban youths, to develop the production forces. Attention will be paid to recruiting workers to undertake training to become machinery operators and technical workers. Train conductors and ship captains must be selected from among troops who have fulfilled their obligations or workers in the sector who have sufficiently high cultural levels and political qualifications, and are healthy and educated. There must be tight labor discipline to ensure that everyone puts in 8 full hours of useful work.

5. Strongly exploit labor potential, warehoused materials, and on-the-spot materials.

Fulfilling the slogan "The central level, the local level, the state, and the people work together to build transportation projects, within the past few years we have achieved success and have attained satisfactory results. However, those results have not been uniform in some provinces and in many districts. Therefore, from now on that that content must be made an annual plan norm so that the localities, especially the districts, can endeavor to attain it. After obtaining agreement of the provincial party committees and governmental administrations, the communications-transportation services must assign such norms to the districts. That requires the services to take the initiative and to, from all sources, assign capable cadres to the district transportation bureaus, while at the same time going all-out to provide improved equipment in order to increase labor productivity.

We must go all-out in fully utilizing on-the-spot materials and warehoused materials, collect scattered materials and reprocess them for use in building and repairing roads and small bridges and assemble them to form construction and cargo-handling equipment. That is a very necessary and urgent task under the slogan "economizing is a national policy."

6. The inspection task, the legal work, economic arbitration, opposition to sabotage and negativism, and maintaining traffic order.

-- Strengthen the organization of the inspection work and increase its effectiveness. Carry out the inspection activities in close proximity to production and contribute to promoting production and strengthening economic management. Uncover, struggle against, stop, and promptly deal with negativism, sabotage, revengeful, arrogant acts, slander, and bribery, which are contrary to the systems and policies of the Party and the laws of the state. Cadres and workers who are degenerate and take advantage of their occupations (especially transportation) to engage in blackmarketing and steal

socialist property, must be promptly investigated and uncovered and be dealt with severely. In cooperation with the public security forces and the people's organs of control, serious cases must be prosecuted in court. The economic contract system must be strictly observed throughout the plan fulfillment process, in accordance with Decree 54-CP of the Council of Ministers. In 1985 the signing of contracts must be completed in the first quarter and they must have clear, accurate contents. The contracts must clearly stipulate rewards and punishments and increase the responsibility of each unit taking part in the contract. The sectors and echelons must settle contracts each month and quarter.

We must heighten vigilance, oppose the enemy's many-sided war of destruction, strengthen the internal economic and technical inspection work, and build a protection system extending from the Ministry down to the basic units, especially in a number of important sectors, such as the railroad sector, the maritime sector, and the transportation hubs. The heads of sectors and units are responsible for paying adequate attention to that work, closely guiding the protection of socialist property, opposing negativism, opposing sabotage in the units and sectors, and coordinating closely with the public security forces, the troops, and the local militia in preventing and appropriately punishing such acts of sabotage as removing rails, laying mines, dismantling railroad car brakes, burning warehouses, cutting telephone lines, stealing state property, etc.

It is necessary to coordinate closely with the public security forces, the army, the relevant organizations, and the localities in effectively organizing the maintenance of traffic order on the road, railroad, river, and maritime routes, at the transportation hubs, and in the cities. Strict but fair rewards and punishments must be applied in enforcing traffic regulations.

The party organizations and mass organizations must closely manage and educate party members, Youth Union members, cadres, and workers so that they always maintain revolutionary vigilance, strengthen solidarity, alertly distinguish between right and wrong, positively support correct acts, and protect sincere people who are victims of revenge, abuse, and slander. They must strongly condemn people who are sycophants and opportunists, misrepresent the facts, and create division and factionalism. They must strengthen the political work, prepare for wartime mobilization, and enable the units to always be ready to fight and support the fighting.

Command and coordination must first of all adhere closely to the missions and plans of each unit, while at the same time flexibly dealing with the unexpected changes in the sector and outside the sector, and organizing alliances and coordination in production and transportation among the units. Therefore, it is necessary to have a clear division of labor and decentralization according to the functions and missions of each sector and echelon.

In order to ensure effective command and coordination it is necessary to build and perfect an internal communications network on the basis of fully utilizing the national communications network and the communications of the regional centers and the important transportation hubs, and gradually provide full equipment for the units, trains, barges, and routes. It is necessary to draft

instruction-requesting and reporting systems and specify clear, coherent communications channels according to the various kinds of communications and avoid duplication or leaving something out.

We must maintain, consolidate, and improve the quality of the daily, weakly, and monthly tasking system. In the tasking conferences, in addition to reporting on the results of production it is necessary to prepare in advance the contents and tasks that must be exchanged and resolved. The forms of regular tasking, ad hoc tasking, and tasking according to the production or transportation rate must be organized flexibly. The quarterly and semi-annual recapitulation conferences must be well organized.

-- Continue to expand and consolidate the central, regional, and local dispatching centers and ensure that those centers have the necessary communications facilities.

-- Consolidate the central transportation agencies and gradually set up regional transportation agencies for the sector. In the immediate future they must assume responsibility for stable cargo with packaging, ensured quality, weighing and measuring, and efficiency in each phase. The setting up and consolidating of transportation agencies in provinces and districts also will follow those lines. It must be ensured that there are tight economic contracts when an agency is formed to handle any type of cargo.

7. Consolidate in depth the emulation movement.

Consolidate and expand the emulation movement and tie it in more closely with the production norms and enable emulation to exert a positive effect on developing the collective mastership right of the cadres and workers, truly promote production, attain the plan norms and economic-social norms, and create the new man.

The trade unions must combine closely with the heads of the production organizations and plan organs in guiding and closely monitoring the situation, regularly carry out preliminary and final recapitulations, and recommend that the leadership give adequate, prompt commendations and awards. Attention must be paid to bringing into play the new factors and the advanced models. "Productivity, quality, and effectiveness" must be made the goals of emulation, and the launching of regular monthly, quarterly, and annual emulation with emulation in each specific mission and construction project. Organize extensive emulation between the sectors and units nationwide and in each area, between materials supply organs and production units, between cargo handling and transportation, between transportation and construction, etc.

Emulation must become an aspect of guidance in the relationship of using construction to oppose and enabling the trade union echelons to truly be the masters in drafting plan norms and promoting plan fulfillment. The trade unions, along with the heads, must truly be concerned with the lives of cadres and workers.

In 1984 we carried out the quarterly emulation commendation and awarding of collective units. In 1985 there must be more varied forms of commendations and

awards, not only for units but also for large tasks and large construction projects which achieve large volumes, and for individual workers who outstandingly fulfill their missions.

The victorious fulfillment of the 1985 plan has an extremely important significance. The cadres and men of the entire communications-transportation sector must endeavor to more fully bring into play the spirit of collective mastership, exploit all of its potential, and seek the assistance and cooperation of the other sectors and the assistance of fraternal nations. Especially, it must seek the contributions of the people, boldly research and apply scientific-technical advances, strengthen management and coordination, amend the policies, oppose all sabotage activities and negativism, and promote unity between the central level and the local level. We must be determined to surpass the norms of the 1985 plan, with the objectives of productivity, quality, effectiveness, and economizing to enable our sector to develop and gain momentum when we begin the implementation of the coming five-year plan.

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CSO: 4209/262

TRANSPORTATION AND COMMUNICATIONS

THAI BINH PROVINCE DEVELOPS RURAL ROADS

Hanoi NHAN DAN in Vietnamese 19 Feb 85 p 2

[Article by Quan Huan and Xuan Thuy: "Thai Binh Develops Rural Roads: More Than 5,000 Kms of Roads are Improved and Widened, Travel Is Convenient and Inexpensive"]

[Text] In comparison to nearly all other localities throughout the nation, except for the Mekong Delta, Thai Binh has distinctive characteristics and considerable difficulties. In the entire province there is not a single hill or rock deposit; its area is small, its population is large, there are rivers everywhere, and it borders the sea. However, Thai Binh is not only famous as a province with a movement to intensively cultivate rice but has long been a model with regard to the development of rural roads.

When we visited Thai Binh this time we admired the changes on the roads. More than 5,000 kms of roads connect hamlet to hamlet and village to village. The roads from the villages to the district seats and from the districts to the provincial capital have been improved and widened. The roads are surfaced with crushed brick or cinders which have been rolled and pounded with the correct techniques and travel is easy.

How has Thai Binh been able to accomplish that in a short period of time and on a broad scale?

Achieving all the combinations:

From the time it was endeavoring to attain the goal of five tons of paddy during the anti-U.S. resistance war Thai Binh has known how to combine water conservancy and the improvement of fields with developing the system of rural roads. All of the earth excavated in digging canals and ditches in accordance with an over-all plan has been used to build wider road beds. That is a correct method which has helped Thai Binh escape from its "poverty" with regard to land. However, in past years because its many rivers and streams impeded travel it was not easy to send people and facilities to other provinces to obtain rock to surface roads. Although its roads were built up and widened during the rainy season seeping water, water buffaloes and cattle, and the various kinds of vehicles passing by created mud, roughness, and depressions, which made travel very difficult. Recently, in addition to implementing the policy of "tileizing the rural areas" Thai Binh has done a good job of

organizing the making of bricks and tiles, invested in facilities, and brought in coal to sell to the cooperatives and cooperative members, while at the same time mobilizing broken brick and cinders to surface roads (for every ton of coal sold to the people to bake bricks and tile the people had to sell to the province two cubic meters of broken brick and cinders). At the same time, spacious day-care centers, schools, clinics, and offices were built and roads were gradually widened, extended, and built up, which greatly reduced the situation of houses being built of thatch grass and with earthen floors and of roads becoming muddy.

Fully implementing the slogan "The state and the people work together.

There are only three state bridge and road repair units in Thai Binh. It is very difficult for those forces to manage and repair 41 kms of central roads and 126 kms of interprovincial roads every year. When the movement to build rural roads was launched all cadres, from the provincial level down to the district and village levels within and without the transportation sector, were imbued with the policy of "the state and the people working together." With regard to decentralization, the province invested capital and facilities, purchased coal, and brought it back to sell to the cooperatives and people. The Communications-Transportation Service is the managing organ and is responsible for techniques. The service provided a road roller to each district and sent sufficient cadres to set up a technical team. The villages and cooperatives are responsible for managing and mobilizing labor to complete the tasks assigned them.

In the implementation process, each echelon manifests a sense of responsibility but the localities are not given a blank check. Every month the Communications-Transportation Service is responsible for calling together the heads of district transportation bureaus to assign tasks and review the work. The province continually monitors the movement and regards that as a key mission. The movement is carried out step by step and solidly. The province has begun to concentrate on guiding trial implementation in a number of villages, after which it expands its guidance. All forms of "idle" labor have been mobilized. The people participate in building road foundations and transport broken bricks and cinders. Special units are responsible for surfacing roads, with the support of the district road rolling machines. Along with building roads, the province and districts have mobilized hundreds of tons of old rails and various kinds of scrap iron to forge them into drainage pipes, bridge support columns, etc., to sell to the villages, and has guided the villages in forging bridge surface plates and rails, and in building bridges and conduits across canals and ditches. Every year, during the "idle" periods tens of thousands of people are mobilized to build roads and construction capital steadily increases (it amounted to 56 million dong in 1984). Every year more than 100 kms of district roads and more than 300 kms of interprovincial roads are improved. In 1983 Thai Binh built 33 bridges and 558 conduits and in 1984 it built 42 bridges and 760 conduits. Each kilometer of road requires 600 cubic meters of broken bricks and cinders. If only the state had invested in that work it would have had to invest 500,000 dong. By relying on the people each kilometer of road there cost only 40,000 to 50,000 dong. The increased effectiveness, which cannot be fully calculated, results from increased labor productivity because

of the increasingly better road network, which facilitates transportation and travel.

When the people are aroused:

We returned to Thai Binh on a spring morning, when the weather was gradually becoming warmer. people all over the province were going to the fields, determined to win a victorious spring harvest. The vehicle raced along on the level roads over one bridge and conduit after another and from one village to another. There were no longer bustling scenes of people participating in road building. We only saw lines of improved carts and cargo bicycles carrying rice seedlings and fertilizer to serve the transplanting of spring rice. But according to comrade Vu Ngoc Toan, director of the Thai Binh Communications and Transportation Service, and to the district and village cadres with whom we spoke it was not easy to build that solid network of inter-hamlet and inter-village roads. When the people have been aroused their strength is truly peerless. When they lacked rock to surface roads the villages of Dong Hoa and Dong Hoang in Dong Hung District by means of forming alliances used labor forces to do other work in exchange for rock. The teachers and students of the Dong Hung general middle school organized socialist labor in order to obtain funds and recovered broken brick and centers that had been buried at old brick kilns. Many old people's teams sponsored segments of roads. Many villages calculated norms for each type of cargo bicycle and ox cart to mobilize the transportation capabilities of facilities. Dong Hoa Village in Dong Hung also took the initiative of mobilizing money from local cadres, workers, and civil servants working in other provinces so that everyone could contribute to improving their home province's roads.

Thanks to its complete network of rural roads, Thai Binh has been able to exploit the nonmechanized transportation facilities, including 400,000 cargo bicycles belonging to the people. Thai Thuy District in 1984 mobilized sufficient nonmechanized transportation facilities to transport 70 percent of the cargo that had to be transported. Vu Thu District accepted responsibility for transporting all mobilized rice to the district granary. In addition to increasing its waterborne transportation capability Thai Binh has essentially fulfilled the requirements of transportation: uninterruptedness, promptness and safety.

Thai Binh, not restricting itself to roads surfaced with broken bricks and cinders, has come up with such innovations as setting aside some of its export grain to import asphalt, in order to enable the entire road network in the province to be good but also to be increasingly extended and more attractive.

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TRANSPORTATION AND COMMUNICATIONS

SHIPBUILDING ENTERPRISES REORGANIZE PRODUCTION

Hanoi NHAN DAN in Vietnamese 23 Feb 85 p 1

[Article: "Federation of Shipbuilding Enterprises of the Ministry of Communications and Transportation Reorganizes Production, Expands Economic Alliances, Builds New Ships"]

[Text] In order to meet the steadily increasing need for maritime transportation facilities, gradually manufacture many kinds of replacement parts, and carry out major repairs on the various kinds of facilities, the Federation of Shipbuilding Enterprises of the Ministry of Communications and Transportation has begun to reorganize production and renovate a number of management aspects.

After assigning functions and missions to the elements and basic units the federation boldly changed its management by changing over from administration to commanding production, adhering closely to goals, and clearly designating the key units and products in each plan period. On that basis many units have expanded the formation of production alliances and cooperation, exploited the existing potential regarding labor, equipment, and materials, and helped one another manufacture new products. In cooperation with a construction machinery factory the Song Cam shipyard allied with Machinery Factory 120 to produce a crane with a three-ton capacity and a reach of 16 meters for installation aboard ships capable of carrying 1,100 tons of cargo, thus creating the capability to produce that type of crane. The Bach Dang shipyard positively exploited the four sources of capabilities, took the initiative in resolving problems, and cooperated with scientific research organs to successfully build a 1,000-ton river-ocean ship, the first such ship, which demands complex technology, to be built in our country.

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